CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY-EIGHTH PARLIAMENT

19 ELIZABETH II

VOLUME V, 1970

COMPRISING THE PERIOD FROM THE FIFTH DAY OF MARCH, 1970,
TO THE TWENTY-FIFTH DAY OF MARCH, 1970, INCLUSIVE.

INDEX ISSUED IN A SEPARATE VOLUME

Queen's Printer for Canada, Ottawa, 1970

21774—1½

HOUSE OF COMMONS

Thursday, March 5, 1970

The House met at 2 p.m.

SPRING!

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I rise on a matter of utmost urgent importance. It has to do with a meteorological and horticultural phenomenon occurring at this very moment on the west coast of this nation, in the province of British Columbia. Evidence of this approaching event was delivered into our hands today as British Columbia members, aided by the Greater Vancouver Visitors and Convention Bureau, provided each and every member of this House with his own sample for study and contemplation.

What I am about to announce, Mr. Speaker, will bring joy to all our hearts, locked as we are in the apparently inexhaustible grip of winter. Spring has shown itself on the Pacific coast! There is absolutely no doubt about it. Daffodils and crocuses are blooming in profusion in greater Vancouver, Burnaby, the Fraser Valley, in the Islands of the Gulf of Georgia and in the gardens on Vancouver Island. If this can happen in British Columbia, it can happen in the rest of Canada. Let us not lose hope.

Mr. Speaker: Is the hon. member also rising on a flowery point of order?

Mr. Caouette: If things are so nice in British Columbia, it is because they have a Social Credit government.

PRIVILEGE

MR. PEDDLE—PRIOR ANNOUNCEMENT OUTSIDE HOUSE OF SETTLEMENT OF TRADE DISPUTE WITH MEXICO

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, this is a rather unserious setting for a serious piece of business. I rise on a question of privilege. I intend to follow my few brief remarks with a motion. On Thursday, February 26, I directed a question to the Minister of Industry, Trade and Commerce regarding a trade dispute between Canada and Mexico which threatened to have a very grave economic effect on the newsprint industry in the riding which I represent. I was assured by the minister that negotiations to resolve the dispute were to take place and that the House would be kept informed.

• (2:10 p.m.)

At 2 p.m. yesterday, March 4, the Secretary of State for External Affairs tabled in the House an announcement of a settlement of the dispute, and copies were quite properly provided to the Press Gallery after it had been made. However, the announcement was released to the Newfoundland press by the Minister of Transport at approximately ten o'clock yesterday morning, four hours previously.

An hon. Member: Shame!

Mr. Peddle: The Minister of Transport acted quite improperly, in my opinion. He used his office to obtain information which, for political reasons, he released some four hours before it was made available to this House. I, and a number of my hon. friends, continued to deal with the numerous expressions of concern from my constituents right up to the opening of the House yesterday, with no way of knowing that the question had been resolved. A minister of the Crown was aware that a settlement had been reached and had announced it publicly four hours previously, extracted his pound of political flesh and clapped his hands gleefully.

There are a number of other serious implications in the fact that this news was released in one province of Canada four hours before it was released in the nine other provinces; I need not go into detail as to that aspect. My motion, seconded by my hon. friend from Gander-Twillingate, if necessary, is that the matter be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Grand Falls-White Bay-Labrador has filed the notice required by the Standing Order. The Chair has thus had an opportunity to consider the circumstances on which the hon. member's question is based.

As he has explained, there had been an undertaking by the Minister of Industry, Trade and Commerce that the House would be kept informed of developments concerning

the imposition of a surcharge on certain textiles entering Canada. Such information was conveyed to the House yesterday, pursuant to the minister's undertaking. The difficulty stems from the fact that prior to the tabling of the press release on the subject, the Minister of Transport had made an announcement outside the House.

In so far as the Minister of Industry, Trade and Commerce is concerned, his undertaking seems to have been met by the tabling of the announcement at the opening of yesterday's session. The question is whether the prior announcement by a minister constitutes a breach of privilege.

I have on occasion referred hon. members to Citation 113 of Beauchesne and also to the views expressed by Sir Erskine May at page 45 of the 17th edition of the author's book on parliamentary practice. Without going into the details of these citations, I would remind hon. members that parliamentary privilege is the sum of the fundamental rights of the House and of its individual members over and above the common law rights of other citizens. Seen in this light, parliamentary privilege or the breach thereof cannot be claimed lightly. Indeed, Citation 113 of Beauchesne states specifically that a question of privilege ought rarely to come up in Parliament.

In the same citation, Beauchesne suggests that such a question should be dealt with by a motion giving the House power to impose a reparation, or impose a remedy. What reparation or what remedy would result from a referral of this question to the Standing Committee on Privileges and Elections or any other committee of the House is difficult to see.

It seems to me that the only action which could be taken would be to condemn the action of the minister, and this, I suggest, can only be done by way of a substantive motion. Again, there are many precedents to support this suggestion. My conclusion is that although the hon. member may have a grievance, or may wish to question the propriety of the minister's early announcement, there is not a prima facie case of privilege which should be investigated by a committee.

I should add that perhaps the kind of situation or circumstances to which the hon. member has alluded might very well be the subject of debate under the motion standing in the name of the Leader of the Opposition which will be considered by the House later today.

[Mr. Speaker.]

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

CONSTITUTION OF CANADA

First report of Special Joint Committee on the Constitution of Canada—Mr. MacGuigan.

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Fifth and sixth reports of Standing Committee on Transport and Communications, in English and in French—Mr. Lessard.

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

[*English*]

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ON SALARY REVISIONS AND OPERATING REGULATIONS

Mr. Speaker: I have the honour to lay before the House the report of the Joint Committee on the Library of Parliament concerning salary revisions for certain employees of the Library of Parliament, and regulations with relation to the operation of the parliamentary library.

[*Translation*]

FISHERIES

TABLING OF FIFTH REPORT OF CLERK OF PETITIONS

Mr. Speaker: I also have the honour to inform the House that the Clerk has tabled the fifth report of the Clerk of Petitions.

[*English*]

EXTERNAL AFFAIRS

ANNOUNCEMENT OF RATIFICATION OF NUCLEAR NON-PROLIFERATION TREATY BY CERTAIN NATIONS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to take a few minutes of the time of the House in order to welcome an historic development marking the most important achievement to date in the field of arms control. I refer to the ceremony in Washington this morning and to the similar ceremony in Moscow today during which instruments of ratification of the nuclear non-proliferation treaty are being deposited by the United

States, the Soviet Union and a sufficient number of other states to bring the treaty into force.

Some hon. Members: Hear, hear.

Mr. Sharp: This convention is the culmination of more than five years of negotiations in which Canada played a significant role. Canada ratified the treaty on January 8, 1969 and was in fact the first nation with a technological capacity to produce nuclear weapons to renounce this weapons option by ratifying the non-proliferation treaty. We shall continue to stress the importance of adherence to the treaty by those states that already have or are close to attaining the technological capacity to produce nuclear weapons—the so-called "near-nuclear" nations.

Canada welcomes the coming into force of this treaty and urges all countries to make it an effective means of counteracting the dangers inherent in the proliferation of nuclear weapons. We hope that those nations which have signed the treaty but not yet ratified it, as well as those which have not yet signed, will proceed to ratification and to implement its safeguards provisions designed to preclude proliferation. Finally, we hope and expect that, in accordance with Article VI of the treaty, this substantial step forward will inspire renewed efforts to curtail the arms race.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to associate myself with the remarks of the Secretary of State for External Affairs. This is a very significant day. While we must, of course, bear in mind, as I am sure we will —indeed, this announcement constitutes a reminder to us—how much yet remains to be done before we can feel that we really have effective control of nuclear weapons or their proliferation in the world, nevertheless this is a step about which we can be very pleased.

I think it is appropriate, as we welcome this development, to bear in mind not only the effort made by the present Secretary of State for External Affairs but also those of his predecessors, going back to the days of the Hon. Howard Green, all of whom were concerned about atomic weapons and their proliferation. Neither must we forget the efforts of the devoted officials of the Department of External Affairs. As I say, I am happy today to associate myself with the remarks of the minister.

Nuclear Non-Proliferation Treaty

• (2:20 p.m.)

Mr. David Lewis (York South): Mr. Speaker, it is, of course, true that every citizen in every part of the world will be happy to hear that the non-proliferation treaty has at last been ratified by a sufficient number of states to bring it into force. I join with the Leader of the Opposition and the Secretary of State for External Affairs in greeting the importance of this event.

I am sure I am not saying anything more than is in the hearts and minds of every member of this House when I warn that we should not become too complacent about this treaty, first, because it touches a matter which is not as basic to the problem of the nuclear arms threat as some other matters; second, because important nations in the world have not ratified the treaty, one of them being France and another China, so that the family of nations under this treaty is still very dangerously incomplete and, third, this treaty, like the test ban treaty, only touches the periphery of the problem of the threat of the nuclear destruction of humanity. It merely indicates the need for further steps and discussions in SALT and at the disarmament conference in Geneva.

In brief, while I join everybody else in greeting the importance of this day, I am conscious of the fact that it is a small and relatively less important step toward relieving the world of the danger of nuclear destruction, than the very important and much more difficult steps that lie ahead.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): We are glad to endorse the comments made by the Secretary of State for External Affairs. We rejoice at this historic event which is the most important accomplishment so far in the field of arms control.

We are certainly glad to see that Canada, which ratified the treaty in January 1969, was in fact the first nation to ratify this treaty, because we were the first nation with a technological capacity to produce nuclear weapons to renounce this weapons option by ratifying the non-proliferation treaty.

Mr. Speaker, Canada stands as a shining example for humanity, because this treaty will certainly help men refrain from killing each other, as could easily have been the case.

It is with pleasure therefore that we join the government and the leaders of the other parties in welcoming this achievement.

[*English*]

SUPPLEMENTARY ESTIMATES (B), 1969-70

A Message from His Excellency the Governor General transmitting supplementary estimates (B) for the financial year ending March 31, 1970, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

[*Later:*]

REFERENCE TO STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would like to move, seconded by Mr. Drury, pursuant to Standing Order 59:

That, in accordance with the provisions of Standing Order (58)15, the Supplementary Estimates B for the year ending March 31, 1970, tabled in the House this day, be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

UNEMPLOYMENT INSURANCE

STATEMENT ON CONDITIONS IN TORONTO OFFICE

Hon. Bryce Mackasey (Minister of Labour): On Monday, Mr. Speaker, at the suggestion of the hon. member for Prince Edward-Hastings and the hon. member for Greenwood, I agreed to make a statement in the House today to ascertain whether or not there was any delay in the servicing of unemployment insurance claims in the Toronto area. The hon. member for Prince Edward-Hastings mentioned that such a delay would be due to the rapid rise in unemployment in Metropolitan Toronto, while the hon. member for Greenwood was concerned about the long delays and queues which have accumulated in the Toronto office. He suggested special measures including a larger staff and more interpreters.

The answer, as supplied to me by the Unemployment Insurance Commission, is very detailed and very lengthy, and in view of the fact that the estimates of the Unemployment Insurance Commission will be before the appropriate committee in a very short time I would like to reserve this lengthy statement until that time. Nevertheless, I think it is fair to both hon. gentlemen that I touch briefly on some of the contents of this statement.

The Unemployment Insurance Commission points out that the volume of payment of unemployment insurance tends to increase during the winter months because of seasonal lay-offs in various industries. As the pattern is a repeating one, the Unemployment Insurance Commission plans its workload accordingly and it is wrong to imply that increased workloads in winter are unforeseen and unplanned. Since January, 1970, the increase in new claims over the comparable months last year was under 700. The active claims increased by a little more than 8,000. In anticipation of this increased work load the Unemployment Insurance Commission increased its normal complement of 330 regular employees by 130 seasonal employees. This is approximately 50 more than last year.

The hon. member for Greenwood pointed out the inconvenience and the hardship of queues in long lines at the UIC office. In order to reduce these long line-ups the UIC recently added a telephone service in order to avoid the necessity of people coming to the office, sometimes at great inconvenience to these people. There are at present 16 telephone lines to handle incoming calls only and an additional 10 lines to handle outgoing inquiry calls. There are also 80 other telephones in the Toronto office. It may be useful to note that the total inquiries by telephone and in person are in fact lower this January than a year ago.

In the case of the line-ups, members may recall that before the UIC introduced service by mail the larger Toronto offices would handle 6,000 to 7,000 personal callers per day necessitating line-ups that extended out onto the street and around the corner. Now, under the postal system, calls to the office number 500 to 600 on peak days, or approximately 70 to 80 per hour. Last week when a press photographer called at the office to take a picture of people waiting in line, he left without photographs because there were fewer than ten people waiting in line, and he felt that this did not dramatize it in the way intended.

The necessary forms that must be completed by claimants have been greatly improved and more than half the questions on the forms are questions related to identification of the claimant. Furthermore, the commission has recently revised a great number of form letters in order that the language be made less technical and more easily understandable to everyone.

Most inquiries arise because claimants fail to qualify because of insufficient contributions

or employment in non-insurable employment and not because of commission delays.

In short, people are now able to deal with the UIC by mailing in their forms which, if properly filled out, result in speedy payment, also by mail. In addition, callers no longer have to come to the office to make personal inquiries. Those who report to the office do so voluntarily to obtain general information.

Forms are available at the Post Office, Canada Manpower Centres and in some union halls.

I should like to shorten this statement. Statistics kept by the commission indicate that claimants are paid consistently within three weeks of the date of initial claim for 97 per cent or more of claims. This is an even higher proportion than last year. For example, on January 12 only 2.8 per cent of the claims filed in the third previous week were still pending and only 12 claims of 4,458 were still pending from the fourth previous week.

I have other similar statistics which I shall skip over. On February 23, the last total I have, only 1.6 per cent were unsettled at the end of three weeks and 6 of 6,407 were pending from the fourth previous week.

Both official languages are available to claimants in the Toronto office. In addition, several of the employees speak a number of the more common languages in the Toronto area. Efforts will be made to identify these employees in order to facilitate the problems of new Canadians who are not yet fully conversant in either of the official languages. It is not unusual for 10 to 12 languages to be spoken at one time or another by claimants, admittedly creating a problem in communication. Nevertheless, the commission has always been ready to do what it can to secure help in interpretation as required.

Several information publications are now being written in several languages to assist in educating insured persons concerning unemployment insurance requirements and how to go about filing and receiving unemployment insurance.

• (2:30 p.m.)

The Toronto office is presently located on Dufferin Street in temporary premises. It is the intention of the commission to split into two separate offices in the area of Toronto, one of which will be located on St. Clair Avenue and the other in the west end of the city. This will be done before next winter.

I have already arranged for the physical facilities of UIC offices across the country to be made more comfortable for applicants and the general public visiting these offices.

In conclusion, I would like to emphasize again that the UIC is perfectly capable of coping with current workloads of claims. Both its staff and its systems are such that they can meet any emergency which may arise because of particular circumstances in an industry or an area. There will always be cases where for lack of complete records or particular circumstances, such as for one claim following a previous claim, a longer time is required to process the payments. These cases are serious for the people affected and everything possible is being done to minimize this problem.

Mr. A. D. Hales (Wellington): Mr. Speaker, we appreciate the statement the minister has just made concerning conditions in the Unemployment Insurance Commission office in Toronto. I also thank the minister for sending me a copy of the statement.

The very fact that there is an increase of 700 new claims and of 8,000 active claims over the figures in the same month a year ago illustrates the serious unemployment situation in Toronto. I cannot understand nor, I am sure, can the people of Toronto, why a city the size of Metropolitan Toronto has only one unemployment insurance office and that a temporary office on Dufferin Street. Surely a city the size of Toronto needs at least two offices, and I am glad the minister is making arrangements to open a second office. However, here we are locking the door after the horse has been stolen. This should have been done long ago for a city the size of Toronto.

The office of the UIC is doing much to relieve the serious situation. We are glad to hear that more telephones have been installed and we are pleased to learn that new forms have been introduced. The forms which claimants have had to complete in the past could only be figured out by a Philadelphia lawyer. Too many questions were put in too small a space poked full of holes for computers purposes. In many cases the holes went through the words printed on the cards, which made questions difficult to understand. No wonder people had all kinds of trouble in filling out these forms. I am glad the minister has revised them.

The minister said that only a small percentage of applicants have not had their unemployment insurance claims paid. The percentage may be small but the number of people is

very large, and the very fact that a person with a family of five or six children to feed and clothe has to wait three weeks for his unemployment insurance is intolerable.

Some hon. Members: Hear, hear.

Mr. Baldwin: Thirty-buck Benson.

Mr. Hales: The new office which Toronto is to have will not be ready until next year so that the unemployed in the area will have to manage with just one office for the rest of the year. It is regrettable that the Unemployment Insurance Commission did not have sufficient foresight to prepare itself for the present situation. I am glad to hear that the minister is doing the best he can under the circumstances.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am naturally delighted at the minister's announcement which indicates a sensitive reaction to the criticism by members of the opposition of the situation which has developed in regard to unemployment insurance in light of the very substantially increased numbers of unemployed. I think the figure is over 30 per cent in Metropolitan Toronto, which indicates a much larger increase than the usual seasonal one.

It seems to me it is of the utmost importance in this as in other fields where the individual citizen confronts the state or its representatives that he be assured that his rights and his feelings are being treated with respect. Justice should not only be done but should be seen to be done. Employment in today's world is so important, both to the maintenance of income and to the maintenance of self-respect, that unemployment is a traumatic experience.

In the past, as I know very well myself and as the minister's statement indicated, unemployed people have been subjected to delay, frustration and discomfort because of their difficulties in completing forms, in attending inadequately staffed offices and in having to wait in line and often to return from time to time. There are other problems such as transportation which may seem small but are serious when there is only one small office for a vast area like Metropolitan Toronto. These problems will have to be considered.

I am very pleased that steps have been taken and are being taken to remedy the situation, and I sincerely hope they will be effective.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we are also pleased with the measures that have just been announced by the Minister of Labour who is responsible for Unemployment Insurance offices.

Many members have been aware of the problems concerning unemployment insurance for a long time. We are happy to learn that the minister is ready to take the necessary steps in order to make the application forms for benefits understandable to citizens of various ethnic groups who have to deal with Unemployment Insurance offices.

However, the statement made me realize as it did for the previous speakers that the problems about unemployment insurance are increasing because of technical reasons, but also because of the present economic conditions in Canada. In fact, the Minister of Labour can improve the methods, personnel and working conditions in the Unemployment Insurance offices with a view to providing better services to the claimants; however, if the economic conditions deteriorate before the department has been able to achieve the proposed improvements, we will keep on losing ground.

I must also recognize that the Unemployment Insurance Commission, the subject dealt with by the minister just now, has installed long-distance telephone systems in some cities, in order to allow the claimants to describe their problems more readily to UIC officials.

Besides, UIC officials have told us that the Department went too fast in establishing a Canada-wide system of computers in regional offices, particularly in larger centers such as Montreal which covers the whole province of Quebec.

They say also that the computer system was initiated prematurely and in too many places at once, instead of limiting it to one region in order to detect its flaws and then confidently establishing it in the other regions.

Before closing, Mr. Speaker, I should like to ask the minister to see that the computers operate as soon as possible in order that the thousands of claims which have been pending for weeks or months may be settled.

• (2:40 p.m.)

[*English*]

HOUSE OF COMMONS

TABLING OF REPORT ON PARLIAMENTARY RETIREMENT ALLOWANCES

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would like to lay on the table of the House a report on parliamentary retirement allowances prepared by Dr. C. A. Curtis, Emeritus Dean of Queen's University, and delivered to my colleague, the President of the Treasury Board.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, while we are still on motions, I would ask the Postmaster General and Minister of Communications (Mr. Kierans) if he could not avail himself of this opportunity to make a statement concerning the postal situation, with regard to both the G. Lapalme Inc. case and the postal union which would permit hon. members to ask questions in due course.

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): Mr. Speaker, I will be ready to answer any kind of question.

[*English*]

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

MEASURE TO SUPPLEMENT PENSIONS

Hon. C. M. Drury (President of the Treasury Board) moved for leave to introduce Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain Acts that provide for the payment of those pensions.

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

ORAL QUESTION PERIOD

REGIONAL ECONOMIC EXPANSION

CONTINUANCE OF OPERATIONS OF E.M.I. COSSOR PLANT—TAKEOVER OF FAIREY AVIATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question or two for the Prime Minister, but I really could not expect them to be within the knowledge of an Acting Prime Minister, so I would ask the Minister of Regional Economic Expansion—

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I am at a complete loss to understand how anybody could take any offence at that. It is a simple statement of fact—

Some hon. Members: Oh, oh!

Mr. Stanfield: To make it clear, Mr. Speaker, I did not intend to cast any aspersion on the Secretary of State for External Affairs. I simply meant to state the information would be peculiarly within the knowledge of the Prime Minister.

I would like to ask the Minister of Regional Economic Expansion whether his department proposes to take any steps to assure the continuance of the operations of the plant owned by E.M.I. Cossor in the Halifax region? I ask this question not only because of its regional significance but because in the closure of this plant, along with the closure of Fairey Aviation, the Department of National Defence would seem to have a very acute interest.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I think that the Acting Prime Minister would be the most competent one to answer, but if the Leader of the Opposition would be satisfied with a less informative answer I can inform the House that a few departments here in Ottawa are negotiating right now with the government of Nova Scotia, and we hope we can keep this plant in use.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to ask a supplementary question. Let us find out whether the Acting Prime Minister can answer as intelligently. Can the Acting Prime Minister indicate—

An hon. Member: Have you got an intelligent question?

Mr. Forrestall: I do have a fairly intelligent question, Mr. Speaker. I think it is fairly intelligent. I want to ask the Acting Prime Minister whether or not the government is taking any steps to protect Canada's financial investment on research, development, modification and sophistication of the variable depth sonar? Has the government taken any steps to protect that expertise for Canadian use?

Inquiries of the Ministry

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sure the Prime Minister would say what I am going to say, namely, that is the sort of question that might be put on the order paper.

Mr. Forrestall: You don't know the facts. I wish to direct a further supplementary question to the Minister of Regional Economic Development. When will the minister be in a position to make some announcement to the House, and to the people of the metropolitan area of Halifax-Dartmouth, about the intentions of Bell in connection with their takeover of the Fairey plant?

Mr. Marchand (Langelier): Unfortunately, Mr. Speaker, I cannot give any date.

Mr. Forrestall: As a final supplementary question may I ask the Minister of Manpower and Immigration what in God's name he is going to do with the 1,200 or 1,400 unemployed people there?

Mr. Speaker: Order, please.

NORTHERN SASKATCHEWAN—NEGOTIATIONS RESPECTING DEVELOPMENT PROGRAMS

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a supplementary question to the Minister of Regional Economic Expansion related to negotiations with the provinces. Inasmuch as the minister was not sure yesterday what was taking place with respect to Saskatchewan, could he explain to the House the progress of the negotiations with that province with respect to making the facilities of his department available to northern Saskatchewan?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we are negotiating with the ten Canadian provinces to determine special areas in connection with development programs. We expect that operations will start on April 1 next. I do not have the details of the proposed agreements which the provinces will have to sign, but even if I had them, I would not make them known before signature of the instruments by the provinces.

[*English*]

Mr. Howard (Skeena): Another supplementary, if I may, Mr. Speaker. The minister, as I understood him to say, indicated there are agreements in existence with some provinces—from his gesture I take it he did not really say that.

[Mr. Forrestall.]

THE CANADIAN ECONOMY

PROPOSED TAKEOVER OF DENISON MINES BY U.S. INTERESTS

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. What is the purpose of the negotiations between the government and the Roman and Hudson's Bay interests? Is the purpose to enable these two corporations to consummate the arrangement which they originally had in mind despite the policy announced by the Prime Minister the other night?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): No, Mr. Speaker.

Mr. Lewis: Mr. Speaker, would the minister inform the House why the government considers it necessary to negotiate with a corporation seeking to sell an interest in another corporation to still another corporation? Why is the government involved in this kind of matter?

Mr. Greene: Well, Mr. Speaker, these corporations and their officials wished to see us after the announcement by the Prime Minister, and as with any citizens we are always happy to see them about their problems.

Mr. Lewis: Mr. Speaker, may I ask the minister whether he can now, and if he cannot now whether he would at an appropriate time under motions, tell the House what he meant by the statement that it may be possible for Roman and Hudson's Bay to carry out their intentions so long as the uranium remains in Canadian hands? Exactly what is it the minister was aiming at in that suggestion to the people of Canada?

Mr. Greene: Mr. Speaker, I think the statement of the Prime Minister speaks for itself. The government has announced its decision that this vast deposit of uranium should remain in Canadian hands, and if there is anything we can do to assure that continuity certainly the government will be very glad to be helpful in that regard.

[*Translation*]

AGRICULTURE

DAIRYING—POLICY RESPECTING GRANTS

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Agriculture.

Since he has recently shown his interest for wheat growers by assuring them grants totalling $100 million, would he tell the House whether or not he is now urging the Canadian government to give back to milk producers the $10 million cut from their subsidies?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, this question has been asked a number of times.

Mr. Baldwin: Why not answer it, then? This is supposed to be a question and answer period.

[*Translation*]

DAIRYING—DATE OF ANNOUNCEMENT OF POLICY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to ask a supplementary.

Does the Minister of Agriculture think he will be in a position to announce the dairy policy for 1970-71 by March 31, 1970?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. It will be announced before the new dairy year begins on April 1.

DAIRYING—PAYMENTS TO PRODUCERS TO CURTAIL PRODUCTION

Mr. H. W. Danforth (Kent-Essex): A supplementary question, Mr. Speaker. In view of the serious problem of overproduction in the dairy industry, is the government going to follow a policy for that industry similar to the policy of payment for not planting as announced for wheat producers and initiate payments to dairy producers, to curtail production instead of letting the dairy industry suffer the present penalties for overproduction?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Canadian Dairy Commission and the Department of Agriculture are completing their discussions with the various marketing industries in the provinces as well as with Dairy Producer Representatives to find a better way of keeping production and consumption in balance.

Mr. Baldwin: No doubt so that the minister need not make a statement.

Mr. A. P. Gleave (Saskatoon-Biggar): A supplementary question, Mr. Speaker. Is the government going to give the $10 million to the dairy producers on condition that they do not milk their cows?

Mr. Baldwin: Or the taxpayers.

Inquiries of the Ministry

GRAIN

FINAL PAYMENT ON DURUM WHEAT

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, may I direct a question to the Minister without Portfolio who answers for the Wheat Board. Because of the concern of the Durum wheat producers of western Canada, will the minister inform the House if it has been decided that the board will make a final payment to the producers from the surplus now in the Durum wheat account?

Hon. Otto E. Lang (Minister without Portfolio): Yes, Mr. Speaker. The estimates tabled earlier today show that the government proposes to allow a sufficient amount to make up the deficit in the wheat, oats and barley accounts in last year's pool in such a way that the surplus which has accumulated to the Durum account will be payable to the Durum producers.

[*Later:*]

Mr. A. B. Douglas (Assiniboia): A supplementary question, Mr. Speaker. Can the minister advise whether the amount of money available for the Durum wheat producers will be the $6 million the producers are expecting.

Mr. Lang: Mr. Speaker, it should be in that order or perhaps a little more.

An hon. Member: Should it not be $48 million?

CLOSING OF SPRING-WHEAT POOL

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, can the minister indicate on what date the pool for spring wheat will be closed?

Hon. Otto E. Lang (Minister without Portfolio): Not yet, Mr. Speaker.

Mr. Baldwin: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Mackenzie on a supplementary.

Mr. Korchinski: It is a related question, Mr. Speaker, and not necessarily a supplementary.

Mr. Speaker: I believe quite a number of hon. members wish to ask supplementaries and they ought to have the opportunity of asking them. The hon. member for Peace River.

Inquiries of the Ministry

ALLEGED HARASSMENT OF ALBERTA FARMERS MAKING DELIVERIES IN BRITISH COLUMBIA

Mr. G. W. Baldwin (Peace River): Mr. Speaker, will the minister consult with the Wheat Board and also with his colleague, the Solicitor General, and inquire into allegations that the RCMP is harassing farmers on the Alberta side of the Peace River who have licences to deliver and are attempting to deliver grain on the British Columbia side of the river?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I will be glad to look into the hon. member's suggestion.

WHEAT—CONGESTION AT MEADOW LAKE SHIPPING POINTS

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, may I direct a supplementary question to the Minister without Portfolio responsible for the Wheat Board. Has anything been done to alleviate the difficulties experienced at some shipping points in the constituency of Meadow Lake? I have received a letter today which says that the elevator has been filled to congestion since December 18 last and since then only one car of grain was loaded to make space for turning elevator stocks—

Mr. Speaker: Order, please. The hon. member should not read the letter but ask his question directly. I believe he has already asked his question.

Mr. Cadieu (Meadow Lake): The point is that these farmers are on a unit quota and many have not been able to haul even one load in this crop year. I wonder if the minister has looked into the seriousness of this situation?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I thank the hon. member for bringing this point to my attention. We try to bring to the attention of the Wheat Board all those delivery points where difficulties seem to be occurring, and the board tries to draw up a program for moving grain from those points where it has not been moving.

WHEAT—REVISION OF ACREAGE REDUCTION PROGRAM

Mr. John Burton (Regina East): Mr. Speaker, may I direct a supplementary question to the Minister without Portfolio in charge of the Wheat Board. In view of the proposals made and the problems raised in the debate on Monday on the government's wheat acreage reduction program, what steps is the minister taking to deal with these matters? Will he be making a further statement announcing any revisions to the program?

[Mr. Speaker.]

Mr. Speaker: Order, please. I suggest to the hon. member he is inviting the minister to make a general statement. Perhaps the minister should indicate simply whether such a statement might be made on motions.

Hon. Otto E. Lang (Minister without Portfolio): No, Mr. Speaker, I do not propose to make a statement at present on motions. Of course, regulations in connection with the plan are being developed. We had taken into consideration before the debate most of the points which were raised the other night.

Mr. Korchinski: A supplementary question, Mr. Speaker. In view of the widespread confusion on the Prairies as a result of the minister's statement—

Mr. Baldwin: And in the government.

Mr. Korchinski: —how soon will the government make clear to the people concerned what is to be done?

Mr. Lang: Mr. Speaker, an outline of the program is being prepared and should be available for mailing to permit holders in the near future. This will counteract the confusion which has been spread by hon. members opposite.

Some hon. Members: Oh, oh!

Mr. Burton: Mr. Speaker, the minister did not deal with one part of the question I asked previously. I was inquiring as to what steps the government is taking, in response to certain proposals made and certain problems which were raised in the debate on Monday. Is the government considering making any changes in its announced program?

Mr. Speaker: Order, please. I understood the hon. member's question in the first instance and suggest again that it ought to be answered by way of a statement on motions. I understand the hon. member for Mackenzie has a supplementary.

Mr. Korchinski: A further supplementary question, Mr. Speaker. Will the inspectors to be employed in connection with the acreage reduction program be made available by manpower offices, or will the government appoint them under a system of political patronage?

Some hon. Members: Oh, oh!

[*Translation*]

BUSINESS OF THE HOUSE

DISCUSSION OF SECOND REPORT OF STANDING COMMITTEE ON AGRICULTURE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the President of the Privy Council.

Is he in a position to tell the House if the government will allow the House to consider the second report of the Standing Committee on Agriculture before the Minister of Agriculture officially announces the dairy policy for the year 1970-71?

Hon. Donald S. Macdonald (President of the Privy Council): As I stated last Thursday, I believe, Mr. Speaker, the government feels that the subject has already been discussed at length a few weeks ago, therefore, it does not intend to resume this debate.

Mr. Rondeau: A supplementary question, Mr. Speaker.

Does this mean that the government intends to ignore completely the second report of the Standing Committee on Agriculture?

Mr. Speaker: Order, please. The hon. member for Gaspé.

FISHERIES

OPERATION OF FOREIGN VESSELS IN GULF OF ST. LAWRENCE

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I want to put a question to the Minister of Fisheries and Forestry.

Could he give confirmation of the presence of many foreign fishing boats in the Gulf of the St. Lawrence and would he say what action is being taken by his department and by the coastguard in order to drive these ships out of Canadian waters?

[*English*]

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, there are foreign, commercial fishing vessels from European countries inside the Gulf of St. Lawrence. We have informed their officers and crews they are not welcome and have been in touch with their governments, through the Department of External Affairs, and told them that as well. We cannot evict them because we still have not completed our system of fisheries closing lines around Canada's east coast. Until we do we are not in a position to make sure these ships leave.

[*Translation*]

Mr. Cyr: I want to ask a supplementary question, Mr. Speaker.

Could the minister tell us which countries these ships belong to?

[*English*]

Mr. Davis: Mr. Speaker, France, Spain, Portugal, Norway and Denmark.

Mr. Louis-Roland Comeau (South Western Nova): May I direct a supplementary question to the Secretary of State for External Affairs. In order to settle the struggle to control our boundaries, would the minister suggest to the government of France that it offer us St. Pierre and Miquelon in payment for the bases at Marseille and Metz in France?

IMPLEMENTATION OF 12-MILE LIMIT

Mr. Lloyd R. Crouse (South Shore): A supplementary question to the Minister of Fisheries. Can the minister indicate how much more time he thinks will be required to implement the 12-mile fishing limit authorized by the House in 1964?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we have legislation which is scheduled for this session. Once it is passed, we should be able to complete our fisheries closing lines.

Mr. John Lundrigan (Gander-Twillingate): I wish to ask the Minister of Fisheries if he has received any reports of numerous foreign vessels in Newfoundland waters and other Canadian waters inside the three-mile limit? If so, can he indicate what action has been taken?

Mr. Davis: Not recently, Mr. Speaker. However, as the hon. member knows, the treaty rights which France, for example, enjoys and have not as yet been phased out, enables their fishing vessels to come right up to our shore.

Mr. Donald MacInnis (Cape Breton-East Richmond): As was mentioned before in a supplementary question to the Minister of Fisheries, legislation passed by this House over six years ago gives the government the authority to police the waters of the Gulf of St. Lawrence where, as the minister has admitted, foreign vessels are carrying on fishing operations. Why can the minister not use his authority to clear the fishing grounds?

Mr. Speaker: The hon. member for Skeena.

Mr. MacInnis: A further supplementary question, Mr. Speaker. If legislation has been passed by this House, why has the government not used it to protect our fisheries?

Mr. Frank Howard (Skeena): A supplementary question to the Minister of Fisheries. I ask the minister if he will ignore the provision in the petition presented yesterday by the hon. member for Esquimalt-Saanich, the effect of which would be that the continental shelf would be inside the 12-mile limit?

Mr. Davis: This would be quite an exercise in geography, Mr. Speaker. As the hon. member knows, the continental shelf extends 400 miles off the coast of Newfoundland.

Mr. Anderson: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. I will recognize the hon. member in a moment. I suggest to hon. members that perhaps we should proceed to another subject. The hon. member for Sainte-Marie has been seeking the floor for a long time. The hon. member for Esquimalt-Saanich is rising on a question of privilege.

Mr. Anderson: The petition I presented yesterday would not have the effect which the hon. member has suggested.

Mr. Speaker: Order, please. That is not a question of privilege.

[*Translation*]

EXTERNAL AFFAIRS

NIAMEY—COMPOSITION OF CANADIAN DELEGATION TO EDUCATIONAL CONFERENCE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs.

I would ask the minister, in connection with the answer he made to the House yesterday to the effect that he intends to give a very special role to the Quebec delegation to the Niamey conference, whether he could state more precisely the role he intends to give to Quebec.

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this is a matter which is under discussion with the government of Quebec. I can assure the hon. member it would be a very prominent role, recognizing the position of Quebec as one of the principal centres of our French speaking population.

[*Translation*]

Mr. Valade: Mr. Speaker, I would like to ask the Secretary of State for External Affairs a supplementary question.

Would the minister be prepared to tell the House whether the province of Quebec has agreed to participate in the Niamey conference even if it should not act as a delegate of an official government? In other words, did that province agree or refuse?

[*English*]

Mr. Sharp: Mr. Speaker, I hope the hon. member feels as I do, that the Quebec delegation will be there as a part of the Canadian delegation.

DRUGS

LEGALIZING OF USE OF MARIJUANA

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the minister's recent statement in Ottawa during a question and answer period at Carleton University, is it government policy to legalize the use of marijuana if the government finds that there is a significant minority of Canadians using this substance?

Mr. Speaker: The question as asked does not seem to be in order. The hon. member cannot ask for a statement of policy in this way.

Mr. Nesbitt: Your Honour, if I am out of order I will be happy to rephrase my question. Is it government policy to legalize the use of marijuana if the government finds that there is a significant minority of Canadians using this substance?

Mr. Speaker: It seems that the second question is very much like the first one.

Mr. Nesbitt: I thought perhaps Your Honour was going to object to it.

INQUIRY AS TO REPORT OF LEDAIN COMMISSION

Mr. Eldon M. Woolliams (Calgary North): I wish to ask the Minister of National Health and Welfare a question. According to the reply I received the last time I asked this question, I thought we would have had the LeDain report by now. Can the minister say when the LeDain Commission is going to

submit its report? Will there be a statement by the government at the time the report is presented to Parliament?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, with reference to the first part of the hon. member's question, I cannot say specifically when the report will be in our hands. I anticipate it will be some time within the next two weeks. As to the second part of the question, it is premature to say what disposition will be made of the report as far as Parliament or public statements are concerned. I will have to wait until we have the report.

Mr. Woolliams: A supplementary question. Will the cabinet be considering the report before it is tabled in the House of Commons?

Mr. Speaker: I doubt if it is in order to inquire whether the cabinet will be considering any particular matter.

GRAIN

WHEAT—PAYMENT ON DEFERRED DELIVERIES

Mr. Les Benjamin (Regina-Lake Centre): I wish to direct a question to the Minister without Portfolio in charge of the Wheat Board. In light of the previous answer concerning payment for the Durum pool, can the minister advise the House if any consideration is being given to a matter of even more serious consequence? Is the government considering, or is the minister recommending to the government, the payment of 20 cents a bushel to those who did not complete delivery of their five-bushel quota the previous crop year and are on a five-bushel deferred quota this year?

Hon. Otto E. Lang (Minister without Portfolio): No, Mr. Speaker. The deliveries under the deferred delivery permits form part of this year's pool. Of course, those people delivering on those permits will be eligible to share in any final payment for the current pool.

AGRICULTURE

OUTBREAK OF ANTHRAX IN SOUTHEASTERN SASKATCHEWAN

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the Minister of Agriculture. Has the minister been advised by the Saskatchewan veterinary officials of the outbreak of anthrax in southeastern Saskatchewan? What action has his department taken to eradicate the outbreak of this very serious disease in view of the fact that the federal government is responsible for the control of anthrax?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, but I will check into it at once.

[*Later:*]

Mr. Olson: Mr. Speaker, may I have a few moments in which to supplement the answer I gave to the question asked by the hon. member for Qu'Appelle-Moose Mountain regarding an outbreak of anthrax in Saskatchewan? This case has now been confirmed and the health of animals division of the department has begun control measures.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO WHITE PAPER

Mr. J. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Labour. Can the minister inform the House when the promised white paper—I am not sure the minister is following the question. He is following it. Can the minister inform the House when the promised white paper on the Unemployment Insurance Commission will be made available?

Hon. Bryce Mackasey (Minister of Labour): As mentioned in the Throne Speech, Mr. Speaker, it is the intention of the government to bring forward a proposal or white paper on unemployment insurance in this session.

EXTERNAL AFFAIRS

PROPOSED U.S. NUCLEAR TESTS—INFORMATION ON FIRST TESTS

Mr. David Anderson (Esquimalt-Saanich): I have a question for the Minister of Energy, Mines and Resources. On February 3 I asked the minister whether his department had received from the United States data on the results of the United States first nuclear test at Amchitka so that we Canadians could judge the desirability of the second series of tests. Is the minister now in a position to inform the House whether this information has been received?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I do not believe my department received such information. If received, it would come through the Department of External Affairs.

Inquiries of the Ministry

AGRICULTURE

DAIRYING—REQUEST FOR ANNOUNCEMENT OF POLICY BEFORE EASTER RECESS

Mr. H. A. Moore (Wetaskiwin): My question is for the Minister of Agriculture. In view of the minister's indication of an early announcement of the government dairy policy, will he give an undertaking to make this announcement in the House before it closes for the Easter recess?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I hope that can be done, but as the hon. member and other members who are keenly interested in the dairy industry know, there are a number of points outstanding that have not been resolved between the various sectors of the dairy industry. I would like to go as far as I can in resolving and reconciling those differences. It is hard to put a specific date on it.

[*Later:*]

Mr. Donald MacInnis (Cape Breton-East Richmond): I want to direct a supplementary question to the Minister of Agriculture in order to clear up the confusing answers which the government is providing. In answer to the original question on dairy policy, the minister said he would make a statement in the House before the end of the month. In answer to the last question, he said he hoped to make it before the 25th. Inasmuch as the Easter recess is due to begin on March 25 and we shall not be back until April 6, how can the minister explain his statement?

Mr. Olson: There is no confusion, except in the mind of the hon. member. I said in reply to the first question posed to me that I would be making a statement—I did not say it would be in this House—before the end of this month. In reply to the second part of the question, I said that if there was reconciliation of the various legitimate viewpoints within the industry I would make an announcement somewhat sooner. I certainly hope hon. members opposite are not asking me to make a unilateral decision before there has been adequate and complete consultation with the industry.

Mr. MacInnis: Do I not recall the Minister of Agriculture saying on another occasion that he would make all statements in the House, and not outside this chamber?

GRADING OF WHEAT BY PROTEIN CONTENT

Mr. A. P. Gleave (Saskatoon-Biggar): A supplementary question to the Minister of Agriculture. Will we have an opportunity in the near future to give consideration to the grading of wheat by protein content?

Hon. H. A. Olson (Minister of Agriculture): When the Canada Grain Act comes to the House for revision there will be an opportunity for doing so. Whether or not a completely new grading system could be worked out in time for the new crop year, should the new act be passed, is still a good question.

BUSINESS OF THE HOUSE

LEGISLATION RESPECTING ROYAL ANTHEM

Mr. J. M. Forrestall (Dartmouth-Halifax East): I should like to direct a question to the Government House Leader. In light of the tremendous enthusiasm for the Queen of Canada shown on Monday last, would the government consider separating its consideration of the Royal and the National anthems and bringing in a separate bill to deal with the Royal anthem, further legislation being deferred until such time as the difficulties the government is having with the Weir descendants can be resolved?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, we would be prepared to give that suggestion serious consideration. It would certainly be preferable to deal with both subjects at the same time and we hope to resolve the current difficulty. But I will give the hon. member's proposal serious consideration.

HEALTH AND WELFARE

FAMILY PLANNING PROGRAM

Mr. Gordon Ritchie (Dauphin): I wish to address a question to the Minister of National Health and Welfare. Did the minister and his department drop the family planning program which the Family Planning Federation of Canada had prepared for the department at the hon. gentleman's request?

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker.

TRADE

SALE OF ATOMIC ENERGY PLANT TO ROUMANIA—CONTINGENT CONDITIONS

Mr. Rod Thomson (Battleford-Kindersley): I have a question for the Minister of Industry, Trade and Commerce. In view of the success experienced in the "on-power" refuelling of the Douglas Point Candu reactor, will the

minister tell us whether this was a contingent condition for the sale of an atomic energy plant to Roumania?

Mr. Speaker: I would think this question could be placed on the Order Paper. If there is urgency about the matter, it could be debated at the time of adjournment.

INDIAN AFFAIRS

CONTINUANCE OF LAND CLEARING

Mr. A. B. Douglas (Assiniboia): I have a question for the Minister of Regional Economic Expansion. Since the Prairie Farm Rehabilitation Act comes under the minister's jurisdiction, and since the PFRA has embarked on a large-scale project of clearing land in Indian reserves on the prairies, and bearing in mind the recently announced program to take farmland out of production, can the minister advise whether or not these projects are to be discontinued?

Hon. Jean Marchand (Minister of Regional Economic Expansion): No, Mr. Speaker. That is not the intention of the department.

HOUSING

POLICY RESPECTING BUILDING SOCIETIES

Mr. Lincoln M. Alexander (Hamilton West): I should like to direct a question to the Minister without Portfolio in charge of housing. Has the government advised the province of Ontario formally of its decision with regard to building societies, and, if so, what was the decision?

Hon. Robert K. Andras (Minister without Portfolio): I understand that a letter has been sent by my colleague the Minister of Finance to the minister of trade and economic development of the province of Ontario. Perhaps when the Minister of Finance is in the House he could give a more definitive answer to the hon. member's question.

Mr. Alexander: In the light of the alarming decrease in building starts particularly in evidence in the province of Saskatchewan and in the cities of Toronto, Hamilton and Halifax at a time when the interest rate has reached an unprecedented 10.1 per cent, is the minister giving consideration to the creation of new lending institutions pursuant to the thought he expressed when he said that if the money lenders were not co-operating he would have to consider such a move? Is he considering the establishment of new lending institutions? On a point of order, Mr. Speaker—

Mr. MacInnis: Mr. Speaker, will call the question out of order and the minister will not have to answer. What else is the minister waiting for?

Mr. Andras: Why doesn't the hon. member answer the question? He seems to have all the answers.

Mr. MacInnis: Any time you like.

Some hon. Members: Oh, oh!

Mr. MacInnis: Take your marbles home with you.

Mr. Alexander: On a point of order, I know the Minister without Portfolio is as interested in this question as I am—as we all are—and I would hope that the Chair would allow him to answer.

Mr. Speaker: The Chair did not prevent the minister answering. The minister had ample time in which to answer had he wanted to do so. For the moment, the Chair has recognized the hon. member for Gloucester.

[*Later:*]

Mr. Alexander: On a point of order, Mr. Speaker, in view of the importance of my question, and its relation to the present housing situation, I feel sure the minister would wish to reply. Since he was not prevented from doing so by the Chair, may I express the hope that he will answer my inquiry this afternoon?

Hon. Robert K. Andras (Minister without Portfolio): I appreciate the opportunity to reply, Mr. Speaker. We are considering all the options available to us in this matter of making a flow of mortgage money available for housing. The building society proposition did not, after thorough examination, seem to promise to provide more mortgage money. But we are looking at other options and I will be glad to report on them as they unfold.

HEALTH AND WELFARE

ENTRY OF NEW BRUNSWICK INTO MEDICARE

Mr. Herb Breau (Gloucester): Can the Minister of National Health and Welfare advise the House when New Brunswick will enter medicare?

Mr. Speaker: Order.

Inquiries of the Ministry

[*Translation*]

INFORMATION CANADA

PUBLICIZING OF POSITION OF OPPOSITION PARTIES ON GOVERNMENT POLICIES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Secretary of State.

Since Information Canada will use the services of television stations to make government policy known, will that body also get the people acquainted with the reactions and views of the opposition parties concerning government policy?

Mr. Speaker: I suggest to the hon. member that this quite interesting question could be put on the order paper.

[*English*]

POST OFFICE

MONTREAL POSTAL DISPUTE—DISCUSSIONS WITH UNION

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the great conciliator, the Postmaster General, and ask him whether, after all the weeks of poor service or no service, anything close to normalcy is now returning to the postal service of Montreal?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): The situation is normal in Montreal for the moment.

Mr. Macquarrie: I want to give the minister an even break. Can he advise us when the backlog of parcels is expected to be delivered?

Mr. Kierans: If all proceeds normally, within about two days, Mr. Speaker.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary for the Postmaster General and Minister of Communications.

Since he has already answered a question from one of my colleagues on the matter of mail distribution, can he indicate to the House what stage the discussions with the Union of Postal Employees have reached?

Mr. Kierans: The discussions are still proceeding, Mr. Speaker.

[Mr. Speaker.]

[*English*]

SOCIAL SECURITY

INTRODUCTION OF LEGISLATION DURING PRESENT SESSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? In view of the assurance he has given several times this session and the hope he expressed yesterday that the white paper on social security will be tabled this session, could the minister tell us whether legislation based on the white paper, particularly with respect to old age pensions, will be introduced this session?

Hon. John C. Munro (Minister of National Health and Welfare): It is very doubtful, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): May I ask the minister whether he is giving favourable consideration to the representations being made to him in this regard by Liberal Members of Parliament?

Mr. Munro: The representations have been made, and they contain considerable merit. They are being considered within the over-all context of social policy as set out in the white paper.

POLLUTION

AIR—ACTION RESPECTING FEDERAL AGENCIES AND BUILDINGS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the minister's pessimism yesterday with regard to a clean air act, after his brave words in recent speeches, will the minister say what the government is doing in the meantime about air pollution caused by federal agencies such as Air Canada, and by federal government buildings in well-known places like Saint John?

Mr. Speaker: Order. It appears to me that this information should be given to the House by the minister in the form of a general statement and not by way of an answer to a question at this time.

[*Translation*]

CANADA COUNCIL

SUGGESTED GRANTS TO RETAIN SCIENTISTS IN CANADA

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I wish to direct a question to the Secretary of State.

Could he indicate to the House whether the Canada Council has taken positive steps under its subsidy policy to check the exodus of Canadian scientists, whose education would have been paid by the Canadian taxpayers?

Mr. Speaker: This is a question of a very general nature, and I believe that it could readily be put on the order paper.

Mr. Comeau: Mr. Speaker, I would like to ask a more specific question.

Would the minister state to the House if the Canada Council intends to establish a subsidy program to help the less fortunate universities, mainly those of the Maritimes, set up research centres in social sciences?

Mr. Speaker: I would like to point out to the hon. member that his supplementary question could also be put on the order paper.

[*English*]

GRAIN

WHEAT—FILLING OF THUNDER BAY TERMINAL FACILITIES

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a question for the Minister without Portfolio in charge of the Wheat Board. In view of the fact that the St. Lawrence seaway will be open within 25 days, could the minister assure the House that the terminal facilities at Thunder Bay will be full at that time?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I am happy to inform hon. members that the schedule that had been set up to fill the terminals prior to the opening of navigation has not only been kept but, indeed, exceeded. As a result, the target amount should be in the terminals well before the opening of navigation.

REGIONAL ECONOMIC EXPANSION

NEWFOUNDLAND—DATE OF SIGNING OF AGREEMENT ON DEVELOPMENT PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the fact that the government of Newfoundland has announced a regional development program to commence April 1, is the minister now in a position to tell the House on which day such agreement will be signed so that those of us who are interested will have a chance to examine it?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I have not read Mr. Smallwood's statement, Mr. Speaker.

Mr. McGrath: A supplementary question, Mr. Speaker. The minister's reputation for evading questions is well known, so I will put my question to him directly.

Mr. Speaker: Order, please. The hon. member's supplementary or his question should not be preceded, I suggest, by this kind of statement or allegation. The hon. member has the right to ask a supplementary.

Mr. McGrath: With great deference, Mr. Speaker, had the minister answered my question, my premise would not have been necessary. The minister never answers questions in this House and this makes our role very difficult.

My question to the minister is this. On what day will the agreement with the government of Newfoundland in connection with a development program alleged to commence on April 1 be signed?

Mr. Marchand (Langelier): Soon, Mr. Speaker.

Mr. McGrath: Mr. Speaker, on a question of privilege, I did not hear the minister's answer. He mumbled something halfway to his feet. I think the House is entitled to an answer to my question.

Mr. Speaker: The minister said "soon". I have to inform hon. members that it is now time to call Orders of the Day.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, before the orders of the day are called, perhaps the President of the Privy Council, the Government House Leader, would indicate to the House the business the government proposes to place before the House for consideration during the next week.

Mr. Macdonald (Rosedale): I thank the hon. member for his question. Tomorrow the first item of business to be called will be government order No. 67, Bill C-183, to be followed by government order No. 76, Bill S-14.

For the week commencing Monday, March 9, the first item will be government order No. 46, Bill C-161, with regard to the Dominion

Coal Board. The second item will be government order No. 75, Bill C-190, with regard to the National Energy Board Act. The third item will be government order No. 49, Bill S-5, with regard to the Oil and Gas Production and Conservation Act.

On Tuesday, we will call for second reading debate the pensions bill to which we have given first reading today.

For Wednesday, an announcement will be made when the progress to that point is noted.

On Thursday next, we will call for the first item government order No. 47, with regard to the Standards Council of Canada, Bill C-163. This will be followed by government order No. 78, the Industrial Research and Development Incentives Act, Bill C-193. I would remind hon. members that the business on Thursday next, March 12, will be interrupted at eight o'clock for the budget speech by my colleague the Minister of Finance.

Mr. MacLean: Mr. Speaker, with regard to today's debate, I should like to make a suggestion for the consideration of the House. After the first four speakers representing the parties in the House have made their speeches in the time normally allotted to them, would the House be agreeable to limiting the following speeches to 15 minutes each so that more members will have an opportunity to take part in the debate?

Mr. Macdonald (Rosedale): We would be most agreeable to that, Mr. Speaker.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered. Orders of the Day.

• (3:30 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—GOVERNMENT ADMINISTRATION—EFFECT OF ALLEGED ARBITRARY ACTIONS AND DESTRUCTIVE POLICIES OF SECRECY AND NON-DISCLOSURE

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

That this House condemns the government for its arbitrary actions and destructive policies of secrecy and non-disclosure including its attitude towards parliament which deny the right of citizens in this country to be informed and to participate fully in the government of Canada, particularly through their elected representatives, and which endanger the balance between the two structures of government—the executive and the representative.

He said: Mr. Speaker, I am sorry that the Prime Minister (Mr. Trudeau) is out of the city today because, by the very nature of things, this resolution touches the Prime Minister closely as head of the government. I think I should begin by quoting one of the Prime Minister's favourite authorities in politics. In the 16th century Machiavelli wrote:

—our experience has been that those princes who have done great things have held good faith of little account, and have known how to circumvent the intellect of men by craft, and in the end have overcome those who have relied on their word.

It is in light of this quotation that I wish to consider some developments that have taken place in Canada during the past year or two, developments which, taken together, I suggest are quite alarming. It seems to me that all the talk that there has been about participatory democracy has been only a screen to hide the effort to concentrate power in Canada and to weaken our traditional safeguards against the abuse of power.

Over the past couple of years there has been a gradual but quite radical change in the system of government in Canada, with an almost invisible and ad hoc amendment of our constitution, so as to build up the power of the office of the Prime Minister and of the cabinet of Canada and to break down institutional safeguards designed to protect the individual Canadian. While not wishing to be in any way an alarmist, I do suggest that a pattern has emerged which requires the attention of the Canadian public, certainly the attention of Parliament, and not least the attention of private members on the other side of the House in whose name the cabinet is accumulating this power.

I ask this House to consider some of the elements of this dangerous, and I think undemocratic, concentration of power at the centre of government in this country. The changes in Parliament are well known, and they are very crucial. They are well known because Parliament must always be the ultimate protection of the individual against an arbitrary government. The issue goes way beyond Parliament and should be discussed in its broader terms as well, that is, in terms broader than Parliament, important as that is, because Parliament is the most important

safeguard of citizens. They have other safeguards which have lost a lot of their clout during the last two years.

I have suggested that the talk about participation is simply talk. After all, there is a big difference between genuine participatory democracy which is, on the one hand, to send up trial balloons to sample public opinion and, on the other hand, an exercise in public relations designed to condition the public to a change that the government has already decided to make. There is also a difference between participatory discussions and shouting matches with extremists; the latter may very well be designed to suggest that all of those who disagree with the government are also extremists.

Some hon. Members: Hear, hear.

Mr. Stanfield: This is a well known technique which was not invented by the Prime Minister, (Mr. Trudeau) but employed to a considerable extent by him.

During the 1960's, governments representing both parties established various new agencies and new programs genuinely designed to broaden the base of government and participation in government, to broaden the opportunity for citizens to express their views or draw attention to their demands. These were genuine examples of participatory democracy. It is very interesting and noteworthy to consider that their fate is in the hands of this government.

The ARDA program, with its emphasis on community involvement in decision making, is certainly being pushed out. Perhaps the best example of its replacement was the Prince Edward Island development plan where the effective control is highly centralized here in Ottawa.

Then there is the Company of Young Canadians. Certainly, it has been "co-opted" and turned into what looks like a tamed creature of the government. We all agree about the government's role as an agent. We, on this side of the House, would have wished the government to start afresh. Certainly, Sir, we never agreed to an agency designed to be participatory being simply taken over and operated by the government. The mandate of this agency now is to be an agent of the government among the young, and not an agency of youth in governmental matters. This distinction is generically the same as the distinction between propaganda and information.

There are other examples. It is clear that at the same time the government is talking about making democracy work, it is changing or restricting or closing down those few federal agencies which have allowed some form of genuine participation. These programs have been replaced by tokenism; for example, naming regional representatives of the poor and flying them occasionally to Ottawa for discussion.

Some hon. Members: Hear, hear.

Mr. Stanfield: I suggest there has been quite an alarming increase in the recourse of this government to arbitrary procedures. The Minister of Industry, Trade and Commerce (Mr. Pepin) has left the House, and I am sorry he has. According to reports, that minister directly threatened to impose or continue certain policies against copper companies unless they agreed to limitations on price increases. We can all understand the desire to curb price increases or to limit them if they cannot be avoided. The suggestion is that the minister concerned boasted of the big stick he holds over the producers by way of copper export permits.

There is also the whole question of sanctions and the government's proposed voluntary restraint program. I favour this program and I have been advocating the use of guidelines. I must say that I am concerned about the cloak and dagger methods the government seems to be resorting to in order to obtain compliance with this program. It is one thing to have a law which prohibits something and to provide penalties which are to be suffered by those convicted of a violation of that law. That is part of what we consider to be the rule of law. It is a very different thing when you try to attain a very valid aim—an aim we can all support—through very vague threats. It is a different thing when you ask provincial governments, for example, to be prepared not to buy from a company because the Prices and Incomes Commission says that the company has violated this program. The government seems to feel that the end justifies the means and that this sort of thing has to be done in the national interest.

I do not think it is any exaggeration to say that most of the atrocities in history actually have been committed in the name of the public or the national interest. I say our democratic system requires more specific safeguards, and that we must take the rule of law seriously if we are going to preserve respect for the law, and if we are going to

preserve freedom. This kind of approach has serious implications for Canada because it can be very popular. A member of the government can appear popular if he seems prepared to bang somebody around, particularly a big business man or even a small one sometimes. You can be popular, but it is very dangerous. I do say if the government is prepared to use weapons such as this for good purposes, that is bad; but if the government is prepared to also use arbitrary actions to achieve something that is improper in itself, that is very bad indeed.

This brings me to the question of public information and the media. This is a delicate area in which Information Canada seems to pose a most direct threat, since the press has been proven a better judge of what in fact is information than the government has proven to be, whether by accident or design. We have had a succession of threats; a lecture to the press in London, a threat to have the mounted police look into the private lives of journalists, and a threat to lock the door at Radio Canada. These things reflect an attitude to the press which certainly makes me uncomfortable, and I think makes many journalists in Canada uncomfortable. This sort of thing may be popular. The vice-president of the United States, as well as the Prime Minister of Canada, has apparently found that the road to popularity lies in attacking the press and the media in this way. Just as the Vice-President of the United States, if I may say so, is creating great uneasiness there, the same sort of thing is creating uneasiness in our country.

• (3:40 p.m.)

We should bear in mind the great power that governmental agencies have to control certain forms of the media. Radio stations and television stations are licenced only for short times. Therefore, the owners of these licences are bound to be nervous when anything that seems like a threat is involved. I think it is worth observation that this discomfort is not relieved by the convening in the other place of an inquiry into the media under the chairmanship of a former national director of the Liberal party. I believe he is known as the "Rainmaker". It is in this context that we have the suggestion, or at least the declared intention of the government, to establish Information Canada which I fear will be in fact "Manipulation Canada". In this context this is a very dangerous proposal. There is also related to this, the matter of the access of the government to the media. I think it would be useful for the CRTC to spell out the ground rules governing the conditions under which government statements should be allowed to preempt other programming on television, for example, by beating the audience to its knees. There seem to be no rules about this at the present time. Perhaps such a rule is particularly necessary in view of the new ruling regarding Canadian content and in view of the establishment by the government of a central propaganda agency authorized to use such vast and sophisticated techniques to tell the story on behalf of the Liberal government.

Perhaps the CRTC would consider some means of setting a rule concerning not only a minimum in respect of Canadian content but a maximum regarding government content or propaganda content. Mr. Speaker, propaganda and secrecy in this regard are two aspects of the same thing. They both relate to efforts to control public opinion. Both are methods which are always used by genuinely dictatorial governments. On the one hand, we have Information Canada coming along and, on the other hand, we have the virtual unlimited access of the government to networks. In addition, we have the secrecy and the refusal to give information. Then, there is the use of a vast number of task forces, the reports of which are kept secret. Of course, there is the well-known refusal to give information here in the House.

What is happening in respect of other institutions which traditionally were capable of standing up to the federal government? The provinces in Canada traditionally have provided some balance. After all, that is what the federal system is all about.

During recent years there has been some concern perhaps as to whether the federal government is strong enough to discharge its national responsibility. But there can be little doubt now concerning the direction in which we are headed. There can be little doubt now —and I say this advisedly—that the government is trying to beat the provinces to their knees by a fiscal squeeze. There can be little doubt that the government of Canada, through the white paper and other methods, is trying to create a preferred financial position for itself. It is one thing to ensure that we have a federal government with adequate powers to discharge its national responsibilities. It is another thing to create a situation in which there is a very real risk that an increasing number of provinces may become unable to discharge their constitutional responsibilities effectively and in which an increasing number

of provinces may be beaten into subserviency. Is there not a real danger in Canada today that fiscal restraint will turn into something like fiscal terrorism. I mentioned the white paper. If anybody thinks the federal government is above throwing its weight around in its relations with the provinces, he should ask himself how much real authority is left today to the legislature of Prince Edward Island.

It is against this sort of background that the playing down or downgrading of Parliament becomes even more significant. The things I have mentioned may seem to many people to be isolated instances, but really they are all part of a pattern. When we start to discuss Parliament in this context, we should recall the conception of Parliament apparently held by the majority of my friends opposite. This conception is that we have an election periodically; that following that election the government has a mandate and that between elections the only proper role of Parliament is to process whatever business the government may choose to place before Parliament. As I said before, and as I say again, the role envisaged for Parliament by most of my hon. friends opposite seems to be not very different from the role envisaged for the Chamber of Deputies by General de Gaulle.

At this point there is no need to review the rules debate except to note that the government was so intent on exercising authority that it used closure to bring in a rule that it cannot use.

Some hon. Members: Hear, hear.

Mr. Stanfield: This is a pretty good indication of the mentality of the members of this government and their attitude. In the discussions about Parliament, there has been much emphasis on efficiency and on the need for getting business done in this modern day. A great many rules that were formulated here to enable the opposition to dig in, and insist upon getting information, have been removed in the interest of getting the business done. I want to see Parliament efficient but I do not want to see it emasculated in the process. Parliament has been downgraded in a number of ways. There has been an increased volume of legislation which delegates very extensive powers to the Governor General in Council. This increased volume of such legislation has been a matter of concern for some time.

As a result of that concern, we had a report by a committee of this House on statutory instruments. To my knowledge nothing has been done about that report. Not one step has been taken. Not one recommendation contained in that report has been implemented. The President of the Privy Council (Mr. Macdonald) keeps shaking his head. He looks quite natural when shaking his head in that direction. I do not know what he would look like if he shook his head in the other direction, because I have never seen him do that.

Another trend which seems to be gaining momentum is the trend to remove very large areas from public debate, so to speak, that is outside the effective surveillance of Parliament, by resort to the technique of creating Crown corporations. We have always had some Crown corporations engaged in commercial business in Canada. But now we have the use of this technique in connection with the national parks. There is an indication there will be resort to it in connection with the Department of Transport, and so on. This is a great way to move large chunks of public concern a long way from the effective surveillance of members of this House. Then, we have the roster system. I have no doubt other members will mention this. I want to say this about it again, that it was introduced to this House without any consultation, in an entirely arbitrary manner.

• (3:50 p.m.)

Mr. Macdonald (Rosedale): That is not so.

Mr. Stanfield: There has been no change in the rules of this House to justify it. Apart from the question of its merit, it is an act of arrogance and a complete disregard for the rules of this House.

We are all familiar with the technique of refusing to answer questions fully in Parliament and then going outside and answering them fully in the corridors before the television cameras, sometimes answering them in a rather different way. Indeed, the only positive talent that some of the ministers seem to have is a talent for ambiguity. I suppose it is a valuable one.

Apologists for the government claim that the committee system is making up for these other changes and is enabling Parliament to play its proper role. But that party line is so absurd that no self-respecting member of the government will peddle it. Indeed, they would be little short of fraudulent to do so. It would be little short of fraudulent to suggest that committees, in their present state, are a substitute for a Parliament with power, because the committees are understaffed and their

members are overworked. The committees are still creatures of the government, without independent powers, with the exception of occasional initiatives such as that taken recently by the hon. member for Athabasca (Mr. Yewchuk) as a result of a very happy and, I believe, a very courageous ruling by you, Sir, if I may say so. When the committees do make reports, those reports are frequently manhandled by the government.

An hon. Member: Or ignored.

Mr. Stanfield: The report of the Committee on Transport and Communications was ignored. We know what happened to the recommendations of the Committee on National Defence with regard to NATO, and of course we know what happened more recently to the recommendations of the Committee on Indian Affairs and Northern Development. The President of the Privy Council still has them tucked away somewhere in his back pocket. I presume we are not likely to see them again before the House.

Mr. MacEwan: They are in the privy.

Some hon. Members: Oh, oh.

Mr. Stanfield: It is perfectly true that a grant has been made to provide research staff for the opposition parties. This has been done for the first time to my knowledge both for the government caucus members and for members on this side of the House. This is helpful, but one would have to be pretty Machiavellian to pretend that this measure offsets the vast increase in the power apparatus of the government.

My time is almost up. Let me say in conclusion that I understand the desire of Canadians to see things get done. I understand the desire to have problems tackled vigourously, and I understand the occasional impatience with discussion and debate. But I must ask the House to express its concern regarding the growing centralization of power in the federal government, concern over the demonstrated willingness of the Prime Minister and the government to use this power arbitrarily, concern over the increasing efforts of the government to manipulate public opinion by the use of both secrecy and propaganda, and concern over the efforts of the government to beat down and weaken the institutions in this country which have traditionally stood prepared to fight abuse of federal power.

It is because of this concern about the magnification of the power of the government, the manner in which this power is being used and the breaking down of institutions provided for public protection that I call upon the members of this House to vote for the resolution that you have read, Sir.

Some hon. Members: Hear, hear.

Mr. David Lewis (York South): I rise to support the resolution, perhaps not for all the same reasons that the Leader of the Opposition (Mr. Stanfield) mentioned—he and I have basic disagreements about some of the things which he stated—but in the 20 minutes that I have at my disposal I want to make a few comments about the subject which the Leader of the Opposition has placed before the House. I appreciate the fact that he has done so.

I want to suggest if I may, without appearing professorial but with great seriousness, that what we are discussing is nothing less than the adequacy of our parliamentary system to deal with the complexities of the modern society and with the fact of increasing government intervention in various phases and facets of modern life. It was relatively simple a century ago, or even half a century ago, to speak as the Conservatives and Liberals used to speak about the place of Parliament because Parliament had relatively little to do and government was required to do less in order to govern best. That was the concept.

Today, of course, we live in an entirely different kind of society. The issues which face us in Parliament and in the country are always complex and serious. They are not easy of solution and they are not even easy of analysis. In the solution of all the issues that touch the daily lives of people, governments at all levels are required by the increasing consciousness of our society to take the initiative and to participate in the solution of the problems. It is no longer possible in modern society to think of solving any of the major problems by leaving them in the hands of private enterprise, private corporations or individuals in society. In every case, whether it is pollution, the quality of life, or the environment in which we live; whether it is the problem of education or of regional disparity, the question of bilingualism and national unity, the public authorities in the country, federal, provincial and municipal and the public treasuries of the country are necessarily and importantly involved.

• (4:00 p.m.)

It is in this context I suggest that members of this House and the people of Canada must look at the activities of a government which attempts to deal with this kind of complex, modern society. I suggest, Mr. Speaker, that what we have in this government, and in the Prime Minister of this country, and what leads to the concentration of power without any of the safeguards that one can have confidence in, are, the following characteristics among many:

Ever since the Prime Minister was elected Leader of his party he has, it seems to me, been persuaded that style is much more important than substance. Ever since that time he has played a role almost like a studied actor, showing a certain image, taking a certain attitude towards Parliament and Members of Parliament, taking certain attitudes when he appears in public before students and others, attempting to suggest something that I cannot quite define, but is quite irrelevant to the substance of the matters that concern the lives of people in Canada.

I informed the members of this House some time ago that in a short telecast interview, I think a day before the Liberal leadership convention opened in this city in the spring of 1968, I described the Prime Minister, then a candidate for the leadership, as a suspended brain, an impression which I have had ever since I have had the pleasure of knowing him. I have the impression that here is a mental machine functioning in a vacuum without any of the electrical cords running to the hearts and feelings and sensitivities of human beings.

An hon. Member: That is what Judy LaMarsh said.

Mr. Lewis: This is the kind of thing that has characterized the right hon. gentleman's and the government's callousness about the growth in unemployment, their callousness about the increase rather than decrease in regional disparities, their callousness about certain international matters such as the escalation of the nuclear arms race in ABM's, the callousness about pollution, whether east or north, and the acceptance of the fact that you can have a tanker go through the northern waters, a tanker which had been damaged and which the company concerned is refusing to reinforce, and you take a chance again on having the same kind of calamity as you had on the east coast.

And all of this callousness, this lack of sensitivity about matters which concern people, derives from the conviction the government has that so long as it is able to engage in a certain style, and to give a certain image, and to titillate a certain proportion of the Canadian people, people will be fooled into thinking that the government is doing something.

The second characteristic of the Prime Minister and this government, Mr. Speaker, is a technocratic approach to the solution of the problems. The government has been in power now—this government, let alone the previous Liberal governments—for almost two years. And without being too partisan—it would be stupid and dishonest and insincere to say I am not partisan, but without being too partisan—every time I sit back I ask myself, what has this government accomplished in two years. This government has been led by a man who said to the Canadian people that there were going to be tremendous changes—"I have a feeling of the inevitability of changes—there are problems and we will meet them," without saying what the problems were or how exactly they were going to be met. For the most part, there are some exceptions, I find myself enumerating to myself the appointment of task forces, the production of white papers, the tabling of reports, and the continuing promise of something yet to come, although you do not quite know when or what. Even today, the very excellent person in the Minister of Regional Economic Expansion (Mr. Marchand)—

Some hon. Members: Hear, hear.

Mr. Lewis: I did not say the excellent minister. I said the very excellent person in the Minister of Regional Economic Expansion, on being asked a question with regard to certain plans, answered, "I cannot give you any date yet on any point on which these things are going to be accomplished." And he now nods his head in agreement.

There are certain problems that Canada has had for years. It does not require any of the long studies in which the government is engaging in order to deal at least with some of them.

But the technocrat approaches things entirely differently. He is not concerned with solving a problem which he and everyone else can see. He is concerned with finding himself a precise technocratic framework in which the particular item might fall. He is satisfied, because that is the nature of the technocrat, if he can show structures, if he can persuade

you he has frameworks, that he has appointed task forces or can table white papers and reports, if he can tell you he is continuing to study the matter, because no person with that approach is as much concerned with solving a problem as with being satisfied that he has technocratically analysed it.

This is what happens every day with this government. When you have that kind of approach, if you are concerned more with style than with substance, and if you have a technocratic approach to problems why should you pay any attention to Parliament? Style is of no consequence here. The Prime Minister and his colleagues in cabinet are not likely to persuade many members of the opposition. Style is important outside. It is important at the university, important in front of the camera. It is of no importance here.

Why should the Prime Minister waste his style on the floor of this House, on Parliament? Why should he waste his great acting talents on the desert air of the Members of Parliament of Canada? If you take a technocratic approach to the analyses and solution of problems, why should you bother with Parliament? Indeed, if you take that kind of technocratic approach it is obvious that Parliament, its procedures, the admitted relative inefficiency of the democratic processes, are a matter of great impatience to you.

Anybody who has studied political science and history, knows perfectly well that if you have a dictator, if you have an arbitrary dictatorial person in charge, you can do things a great deal more efficiently than the parliamentary process does them. There is no doubt about that. Whether you do it for the benefit of the people, whether you enable the people to feel that they are part of a society, that is a different question.

But Stalin and the present leaders of the Soviet Union do things a great deal more efficiently than the democratic world does them. They can decide today what they will do tomorrow, and not be answerable to anyone except members of the Politburo or perhaps the larger body in the Central Committee. Democracy and the democratic process are by design a little less efficient in that sense of the term than the technocrat has patience for, because the democratic process means you have to listen to what people have to say. You have to hear what they have to say. You have to think about what they have to say. You have to present yourself to the criticism of the opposition. You have to permit the opposition to know what you are thinking, what you have done, what you propose to do.

But if you are a technocrat you don't have to tell the opposition what you propose to do. You clothe your obscure generalities in mountains of white papers, and you give the impression of a kind of frenetic activity when in fact there is no activity at all, because all that counts in that context is to give the impression of something rather than the reality. If you are that kind of Prime Minister and this kind of government, all you have to do is give an appearance of change. You don't have to do any real changing in any real sense, but you have to give an appearance of change. And you have to have a stance from time to time.

• (4:10 p.m.)

I give you an example, Mr. Speaker, I happen to be totally in favour of the government's action with regard to the proposed takeover of Denison Mines. I am worried, as my questions earlier this afternoon to the Minister of Energy, Mines and Resources (Mr. Greene) no doubt suggest, about what is taking place in the talks going on between ministers and representatives of the corporation involved. I am worried about what is being cooked. All this is a perfect example of something that has no importance in reality. Of all industries in Canada which are foreign owned, the uranium industry has least importance as far as ownership is concerned in Canada. Why, Mr. Speaker? Because, under the British North America Act it has been declared as being of general advantage to Canada. As a result, strict and complete controls have been established under the Atomic Energy Act and regulations to govern the operations of this industry in Canada. The industry cannot export a single pound, a single ounce of uranium, without obtaining permission from the relevant agency of government. So, the question of foreign ownership is less important with the uranium industry than with almost any other industry in this country, because the controls over the industry are so far reaching.

I favour its being Canadian owned and grieve that as of today we have permitted 50 per cent of our uranium resources to be owned by foreign corporations. Of course, I am glad that the government made the previous announcement and hope from my heart that the discussions now taking place will not change the policy announced by the Prime Minister the other night. What I am saying is

that this government and this Prime Minister chose an industry in which foreign ownership is least important to make a grandstand play and show how determined the government is to retain the industry under Canadian ownership, whereas it is the other resource industries which are foreign owned and controlled from outside that affect employment in this country, affect our exports, and possibly interfere with our national planning. These things are not true of the uranium industry. Therefore, the government is making a grandstand play about the uranium industry to satisfy those who support it in the party and country, and who demand greater attention to Canada's national identity and independent national future.

Here we have a recent and important example of what I mean when I say that you only need to bring about an appearance of action and an appearance of change; you need not do anything else. This government and this Prime Minister have remained perfectly traditional and orthodox in almost every area but have presented us with an appearance of change and an appearance of action.

It also follows, if I am right, that the Prime Minister will necessarily increase his powers. I do not think it is intellectually honestly possible for me to say this is the first time a prime minister has been powerful. I do not suggest that. I think under our system of government a prime minister inevitably is very powerful. The Office of the Prime Minister is a very powerful office and has always been powerful. Because he has final authority over the appointment and dismissal of ministers and other people in the service of the government, the Prime Minister is necessarily a very powerful figure. In this age, with its more complex and difficult issues, the power of the Prime Minister, as I have said, is necessarily greater even than it has been in other ages. But in the present case even more is involved.

In the nature of things, as I said, the Prime Minister is very powerful, and his office is a very powerful office. In the present case where style counts for more than substance, the appearance of change for more than the reality of chance and the technocratic approach to the solution of problems overrides any real attempt to attack those problems, the Prime Minister must be all powerful. He cannot permit ministers to have any influence which might detract from his power, because style means that one person rules. When you have a technocracy you have one leader. You cannot have more than one. So, collective leadership becomes impossible. In the context of that theory and practice of government, it was inevitable that the Prime Minister should increase his staff and make himself more powerful than prime ministers traditionally have been.

I see that my time has almost expired. I want to say that I support the resolution moved by the Leader of the Opposition because I see in the present trend a danger to the people of Canada. As I have explained, they may be misled by an appearance of change, by an appearance which has no counterpart in reality, and by the concentrated power of a government which is concerned with holding on to orthodox, traditional programs and policies which have choked the Canadian people in the past.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, after saying that he took exception to what he regarded as the tendency of this government to relegate all its opponents in the community to the positions of extremists in political doctrine, the Leader of the Opposition (Mr. Stanfield), in rather fanciful speech, tried to draw a picture of dictatorship enclosing the Canadian people. I must say I have some difficulty in taking the Leader of the Opposition seriously on that one, and I think most people will not take him seriously. May I also make one or two comments about some other matters he referred to, and I particularly wish to confine myself to certain comments and misleading statements he made about parliament, this House, its rules, and the facilities which have been provided to private members.

In his diatribe concerning information and the creation of Information Canada we heard an interesting contradiction. On the one hand, the Leader of the Opposition said that the government evolved task force papers and whitepapers which it refused to make public; yet a few minutes before that he had been very critical of the government for establishing Information Canada. Well, Information Canada was the result of just one such study. It was the result of this process of having the serious problems in government studied, making the conclusions on those studies available for consideration and taking administrative action on proposals in that regard.

Mr. Baldwin: On those portions the government liked.

Mr. Macdonald (Rosedale): I hope the hon. member for Peace River (Mr. Baldwin) will

not mislead the House. The two documents produced by the task force on information were published. They were very critical of the government and of agencies of government. For all that they were published. Perhaps we might recommend that the Leader of the Opposition and his lieutenant do a little more reading instead of talking in the course of their parliamentary duties.

An hon. Member: They would not know how.

Mr. Macdonald (Rosedale): The Leader of the Opposition said that the creation of Information Canada is some means of controlling the press. I remind him that in a province such as Ontario, which has a government of a political persuasion not far removed from that of the government of which the hon. gentleman was leader, there are centralized government offices the purpose of which is making government information available. The press has not been controlled or downgraded in any sense by that.

The only other comment I wish to make about his very fanciful statement pertains to his allegation that there was some squeezing of the provinces and that we were trying to take away a further counterforce in Canadian life by virtue of our putting a financial squeeze on the provinces. Well, may I recommend that the Leader of the Opposition read the report of the tax structure committee on taxation resources and expenditures by Canadian levels of government. He will notice that in 1952, after transfers, the federal government took 67 per cent of that part of the gross national product devoted to the public sector. This federal-provincial committee estimates that by 1971 the share of the federal government will go down to 40 per cent. In other words, far from the federal government's putting a financial squeeze on the provinces, it may be said that the financial squeeze is coming from the other direction.

• (4:20 p.m.)

I want to direct myself specifically to the allegations made by the Leader of the Opposition with regard to Parliament and to what he says is the downgrading of Parliament. He said there is a decline of debate in this chamber; I want to debate his assertions.

First, I want to make it clear on the record that the Prime Minister is not in Ottawa today. His absence from the House was well publicized in advance and should not be misconstrued. It has been known for some time by all hon. members in this Chamber and, I presume, the Leader of the Opposition, that he would be absent. For reasons known only to the hon. gentleman, he put forward this motion. On the other hand, it might be useful to have this debate in the absence of the Prime Minister. It will avoid the embarrassment of having him present while we discuss his role in this Parliament. We now have an opportunity to discuss the events of this past Parliament.

I make the contention without qualification that under no previous government has there been such a devolution of responsibilities to the private members of this Chamber and, at the same time, in no other Parliament has there been so great an increase in their facilities to enable them to carry out their responsibilities. It may be useful to remind the Leader of the Opposition in detail of the manner in which this devolution and increase of facilities have taken place. The hon. gentleman referred to the figure of almost $400,000 per annum which has been made available to the opposition parties and the private members on the government side for the purpose of enabling them to engage in a study of government legislation.

The Leader of the Opposition suggested that the committees were under-staffed, that they were lacking in research staff. This may be true, but perhaps I should introduce him to the hon. member for Wellington (Mr. Hales) who has been a perennial complainer when committees recommended that they be entitled to retain counsel for the purpose of enabling them to carry on their work. Which voice from the other side are we to believe, the Leader of the Opposition or his follower? Do we have too much staff or too little?

I am prepared to say that committees are in an emerging role within Parliament as are the use of research and assistance that will be available for committees. I am prepared to acknowledge we are at present in a situation where we are feeling our way to find the best manner in which staffs can be used.

It was the government which took the initiative, in connection with the Standing Committee on External Affairs and National Defence, to establish as its advisor the new institution of the parliamentary committee on foreign affairs and foreign trade, which was created with the general blessing of the Chamber, and to have Mr. Dobell and his associates operate with the Standing Committee of External Affairs and National Defence. It can be said that in no other Parliament of Canada has there been as extensive a study and deep a knowledge of external

affairs as there has been on the part of the members of that committee and on the part of private members. This, I may say, is as a result of initiatives taken by this government.

The experience gained in that committee has been particularly valuable. It has not only been experience in developing the substance of those questions with the members of the committee, but it has also been a very useful experience in how a non-partisan adviser may carry on duties. They are a partisan and adversary body just as much as this House is a partisan and adversary body, and problems arise in relating his role to such a body.

I point out to the Leader of the Opposition that in this Parliament there have been extensive changes in the responsibilities of the committees, extensive changes in opportunities for hon. members to participate in legislation, many of which did not exist before. For example, in the case of legislation there is now the opportunity which did not exist before on all bills, to examine at length the minister and officials responsible for policy and technical advise and also to call outside witnesses. I refer to the Canada Water Act which is now before the committee and on which extensive hearings are now taking place; the Canada Corporations Act in which respect similar hearings are taking place, and the hate literature bill on which there has been extensive discussion and debate.

As the hon. member for York South (Mr. Lewis) will acknowledge, there are far greater opportunities now to engage in the prosecution of these particular questions than was available in the past.

Mr. Valade: What about the possibility of amendments?

Mr. Macdonald (Rosedale): The hon. member asks about amendments. Hon. members opposite feel in some kind of an arrogant way that their point of view must automatically be accepted in committees. I say that is an adversary body just as is this House. If they can make a good case, let them do so. I think the experience is they have not been able to make a good case for changes in the laws when in committee.

Mr. Danforth: What a misrepresentation!

Mr. Macdonald (Rosedale): There have been exceptions to that. I recognize the contribution of the hon. member for York South in the Standing Committee on Justice and Legal Affairs and in the special committee on official languages. In other words, we have moved into a situation, the end of which we cannot predict, which is far from having a concentration of power in the hands of the government. We are bringing a situation into the committee system where there is taking place a greater decentralization of power. From the government's standpoint, I do not expect this to be without pain or incident, but I think it is totally false to suggest, in light of the changes made in this Parliament, that there has been a centralization of power.

With respect to the spending estimates of the government, there is a far greater opportunity for them to be studied. We no longer have the charade that formerly took place in this Chamber. We have the situation now where members could go after the officials responsible for a particular department asking for information and policy. Further, I think it is fair to point out that the office of the Leader of the Opposition has been strengthened by this government during the course of this Parliament. I think it is fair to make a comparison with the past with the decision made some months ago by the Commissioners of Internal Economy with respect to the gentleman's own office. The decisions were made after a request was put forward by him to the commissioners. In addition to Mr. Speaker, there are four cabinet ministers who are commissioners. The requests of the hon. gentleman for additional staff were met by the decision of members of this government.

A rather striking contrast can be drawn between the situation when I was first a member of this Parliament in 1962 under the leader of the Right Hon. L. B. Pearson, as Leader of the Opposition. The government of that day allowed only two very distinguished positions in the office of the Leader of the Opposition and a very small staff. I think the point can be fairly made that the capacity of the Leader of the Opposition to deal with the responsibilities of that office has been greatly enhanced by this government. Every reasonable request that he has made has been met by this government.

May I also emphasize the amenities made available to members in general. I am prepared to acknowledge the fact that I am not satisfied with the amenities now available. I agree with my colleagues who seek additional facilities which would better enable them to discharge their responsibilities. However, within the area of administrative decision which is available at the moment, I think it is

fair to point out the expansion of secretarial facilities available for members of all parties, the expansion of telephone facilities by way of long distance lines and second lines and with regard to certain of the transportation costs which are of assistance to members.

I am happy that the Beaupré Commission will be looking into the conditions of the Members of Parliament and considering additional suggestions to enhance the role of members of this House that have been made, such as providing constituency assistance and better facilities here. We have been concerned about the office facilities in the House. The hon. member for Saint John-Albert (Mr. Bell) has been participating with us in this. We have been looking for further means to provide better space so that members on both sides of the House may be in a better position to carry on their responsibilities from an office standpoint.

• (4:30 p.m.)

The Leader of the Opposition made some reference to the roster system. If he talks to his hon. friend from Peace River or with the hon. member for Winnipeg North Centre (Mr. Knowles), I think he will find it is not true this system was introduced without consultation. I will not say that hon. members opposite were in agreement with it, but then they were not in agreement with many of the other changes which we felt were necessary for the improvement of government. But this question was extensively discussed in the late summer of 1968, and it was certainly not introduced without knowledge of the intentions of the government before the change was put into effect.

Mr. Knowles (Winnipeg North Centre): I would agree that it was not done without our knowing it would be done, but it is not quite fair to say there was consultation. We objected, but the government had decided to go ahead with it, anyway.

Mr. Macdonald (Rosedale): If the hon. member had the opportunity of objecting, he must have been consulted. As he knows, he was consulted by me. Whatever hon. members may say in this regard, the fact of the matter is that the question period has not been cut down in any way. The consent of the House generally was given to placing a time limit on the question period, and I think it is correct to say there has not been a question period since the roster system was introduced when the number of questioners wishing to ask questions of ministers did not exceed the number which could be heard during the time available. In other words, the opportunity to raise questions was available. The absence of ministers has not slowed down the question period, though perhaps the absence of relevance and succinctness on the part of the questioners has done so.

May I refer briefly to the allegation by the Leader of the Opposition that there has been a failure to provide information? I would remind him of a remark which I believe can be attributed to the hon. member for Winnipeg North Centre—in essence that the question period is not an information period but a form of political warfare. Any objective person examining the questions asked, examining the performance of, for example, the hon. member for Prince Edward-Hastings (Mr. Hees) or of the Leader of the Opposition himself, would agree that the extent to which they were seeking information as opposed to making points for the record, or appearing to do so, seems very slight.

An hon. Member: Nonsense.

Mr. Macdonald (Rosedale): Let nobody be fooled about what is really happening during the question period. The fact is that it is a form of political debate.

Mr. Valade: I rise on a question of privilege, Mr. Speaker. This afternoon I addressed a specific question to the Secretary of State for External Affairs (Mr. Sharp), asking him how he defined the special status he intended to give the Quebec delegation to Niamey, but the minister refused to give this information. This proves that the Leader of the House is mistaken in his understanding.

Mr. Sharp: On the same question of privilege, may I say I have never refused to give information. However, the Chair has on a number of occasions turned down requests of the kind made by the hon. member on the ground that I am not supposed to be asked questions seeking an opinion. I interpreted the question as indicating that the hon. gentleman believed in the fragmentation of Canada.

Mr. Macdonald (Rosedale): There could be no better illustration of the point I was making than the intervention of the hon. member. I will leave it there.

The subject of replies to written questions has been raised. The figures in this connection are significant. With the exception of two sessions during the history of this institution—one of them was nearly twice as long as the

present session and the other nearly three times as long—more questions were placed on the Order Paper during the first session of this Parliament than was ever the case previously. And 100 per cent of those questions were answered, after taking into account that hon. members consented to withdraw certain others which, because of their wording or some other consideration which appeared reasonable to them, appeared appropriate to withdraw. In other words, during the last session the government answered 100 per cent of the questions which were left standing on the order paper.

I will concede right away with regard to notices of motion for the production of papers that the government has concluded that it cannot answer all the demands which have been made. This is a position which has been taken by governments of many complexions in this House over the years. I am sure it was the position taken by the Leader of the Opposition when he was premier of a province, and I am sure it was the position taken by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) when he was in a similar office.

It is only fair to point out that there are occasions when the government feels, for the sake of harmonious foreign relations, or because confidential memoranda are involved preceding the development of policy, that documents should not be made available. Then again, it has been clear that hon. members have been putting notices of motions on the Order Paper even though the material given to them in past sessions covered the requests made. This was obvious as recently as yesterday in the case of the hon. member for Waterloo (Mr. Saltsman). Hon. members put these motions on the Order Paper but they do not read the material when it is sent to them.

Since January of this year, the hon. member for Moose Jaw (Mr. Skoberg), the hon. member for Waterloo, the hon. member for Winnipeg North (Mr. Orlikow) and the hon. member for Oshawa-Whitby (Mr. Broadbent) sought the production on six different occasions of documents which had either been produced in previous sessions or were already on the public record. It seems to me that what is required with respect to information is not that more should be brought into this House but that hon. members opposite should spend a little more time studying what is already available to them.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I shall close, now. Some of my colleagues will be making their views known with regard to the speech delivered by the Leader of the Opposition. I have said virtually nothing about what the hon. member for York South (Mr. Lewis) had to say. It seems to me the comments he made expressed his personal view of the Prime Minister (Mr. Trudeau); I do not think they require an answer from me at this point.

I return to my central theme. In no Parliament has there been a greater opportunity for private members to participate in or help develop public policy and legislation in this House. In no Parliament have greater facilities been made available to hon. members for this purpose. If there has been a downgrading of Parliament it is because this institution is founded upon an adversary system, and an adversary system assumes not only a strong government but a strong opposition; it assumes not only an able group of members on this side of the House but an able group of members on the other side of the House. If this Parliament is a duller place, it is because of the incompetent leadership which the other side has got from the Leader of the Opposition. The adversary system will not work with mediocre infantry led by an incompetent general with bad judgment, and that is what I say of the motion put forward by the Leader of the Opposition.

Mr. Heath Macquarrie (Hillsborough): I was pleased to hear the balanced, impartial and well-reasoned arguments of the President of the Privy Council (Mr. Macdonald). As I listened to him I wondered whether the question period, already emasculated, is now about to be reformed out of existence altogether, taking account of his gratuitous and condescending lecture on the way in which questions should be asked.

We are engaged today in a very serious debate on one of those fundamental questions. Today we are not asking what the government is doing—and, God knows, that is a question which surely needs to be asked—but how the country is being governed. It is unfortunate that since this government took office the House has had to spend so much time diagnosing the ills of this institution. We do it because there is widespread anxiety among members on this side, a feeling that the institution is in fact in danger. This being the case, we try to buttress the institution against encroachments which would erode its capacity and functions. When a moderate man like the Leader of the Opposition (Mr.

Stanfield), a man not given to being an alarmist or crying wolf, presents such a motion as this in strong terms it is an indication that something is amiss, and it behooves us to become aware of the gravity of the problem.

• (4:40 p.m.)

Part of the problem, indeed I think the essence of it, is that this institution, the heart and centre of our democracy—if it is not that, it is not anything—is endangered not from without but from within. It is the Prime Minister of this country, next to Mr. Speaker himself, who should be the chief champion of the rights of Parliament. That is within the measure of his responsibility. However, even with all the great acting ability attributed to the Prime Minister by the hon. member for York South (Mr. Lewis), I am sure there is no one in this country who can envisage him playing the role of the protector of this House and of the fullness of its rights and liberties. That is one act that he has never even endeavoured to put on.

Efforts to denigrate Parliament have been the earmarks of this government's dealings with this Parliament. The Leader of the Opposition (Mr. Stanfield) has discussed the fiascos of the allocation of time debates. During recent months we have heard about what has happened to our committees: the government ignore their recommendations, pre-empt their recommendations, as when with undue and indecent haste they killled the Prince Edward Island causeway before the members of the transport committee have returned to Ottawa from making an on-the-spot investigation. The final stage was the directing of committees beforehand as to what to recommend, as in the case of the 18-year olds franchise.

Contempt of Parliament has been escalated, and is still escalating. Questions are ignored; the government refuses to disclose documents; questions asked by hon. members are evaded. Today, we have had scorn heaped upon the whole institution of the question period. It is clear that the asking of questions by opposition members is not something that is viewed by the government with pleasure, not something that they regard as important. It is conceivable in this era of the Park Avenue approach, an age when the image is the thing and manner is more important than matter, that something else may be substituted, that some process may be developed whereby questions as well as answers are manufactured in some sophisticated and costly way.

[Mr. Macquarrie.]

There is reason for thoughtful people to be concerned about what is taking place. Time was when governments actually appealed to the people in regard to what they were doing. Today the approach is what the Canadian people may be induced to believe that the government looks like or that the Prime Minister appears to be.

We are passing through a phase of austerity. But in the very midst of this we find that with lightning speed comes the announcement that the costly apparatus of Information Canada must be established forthwith. More millions and further regiments of public relations men will be hired to join the hundreds already employed in ministers' offices and at the Prime Minister's regional desks to disseminate news. When I asked the prime Minister a question about Information Canada some weeks ago, he indicated his relief in the importance of proper information. That is a very important adjective, and leads me to wonder who will judge what is proper and what is not proper. It is inconceivable to believe that it will be anyone but some government expert on public opinion management.

I do not think it is unrealistic to suggest that the glitter and glamour of 1968, the charisma of that exciting period, may have worn off or worn out by the time the next election comes, and so something else has to be ready. Information Canada and all the other intentions and manipulations referred to by the Leader of the Opposition in connection with the media are important matters. It is a strange thing that at a time when so many important operations of government, such as the Economic Council of Canada and many highly qualified people in the public service of Canada, even in the professional echelon, must be given the axe, we must rush with precipitous haste into the manufacture of government information.

We already have a situation where I believe there are more regional desks in the Prime Ministers office than there are seats in the House of Commons. That may be an exaggeration; perhaps they are not all desks but merely bureaux. We are told that in this new phase of participatory democracy the question period is to be diminished. Ministers have been told to stay away from the House. The caucus of the government party has been diminished in effectiveness, government members being told to meet not once a week but twice a month.

We have heard in recent weeks discussions, academic and otherwise, about the virtues and values of the presidential system. The Leader of the Opposition is very wise to get the point across that the presidential system that is conceived is not that of the United States, where the legislative arm is powerful, healthy, respected, and well able to discharge its duties in representing the people. Rather is it to be something that can be likened to the chamber of deputies under General de Gaulle. When I very carefully read the ministerial and prime ministerial statements about the kind of parliamentary body envisaged, I think it will be something much weaker even than the body that functioned in the third, fourth or fifth republic of France.

Therefore, it is important that we look now before it is too late and take stock of those measures, movements and intentions that would weaken this place. We are all accustomed as individual members of the House of Commons to being derided, to being made the butt-end of popular jokes. But when this institution itself is demeaned before the public, when more and more it seems to be irrelevant, it is time for us to take stock.

You do not have to be an evil man to destroy things that are good. All that is needed is a man with a distorted sense of values, to have a situation where precious things can quickly and perhaps imperceptibly disappear. Democracy, as we have discovered through the ages, is a frail flower. It cannot flourish in adversity; it has to be nurtured, it has to be nourished and it has to be protected. When he whom the people have given the greatest power and responsibility looks upon it as something that should be cribbed, cabined and confined, rather than enlarged and made more effective, then we are entering a climate in which it could wither and perish, a fate that none of us wants to see. Therefore, I appeal for support of this very perceptive motion so eloquently pleaded by the Leader of the Opposition.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, this debate could be one of the most significant this session because it relates to the way in which we handle our business in this chamber, not only from the standpoint of efficiency in dealing with the heavier and heavier work loads of legislation, but also from the standpoint of carrying out our mandate to the people of Canada who elected us to Parliament to legislate on their behalf in a free and democratic way. So, the proposition contained in the resolution of the Leader of the Opposition that this government has arbitrarily denied to citizens the right to keep themselves informed through their elected representatives is perhaps not the sense of the debate in which we are now engaged.

• (4:50 p.m.)

Lest we forget some of the formal measures taken by this government to keep members and the public informed, let me review them. The story about them is pretty well told by Professor Denis Smith of Trent University, of whom hon. members opposite will no doubt have heard. He was the author of a paper entitled "President and Parliament" which he prepared for the Progressive Conservative Conference on "Priorities for Canada" held in Niagara Falls, in October, 1969. Here is what he said about the revision of the rules of December, 1968, all of which, you will remember, were unanimously adopted by this House:

> The reforms of December, 1968, while extending some of the principles first outlined in 1965, were notably more radical. They reorganized and simplified the manner of passing legislation in the House; they diverted detailed debate on all estimates and virtually all legislation from the floor of the House to the specialized committee; they established an annual timetable for the consideration of spending estimates; they created a special committee on Statutory Instruments; and they reduced to twenty-eight the number of days in an annual session controlled by the opposition for debate on topics of its choice. Again, the nice balancing of concessions to the House against concessions to the Government brought the agreement of all parties to the proposal. (In November, 1968, in addition, the Prime Minister had announced that the estimates would contain annual grants to the leaders of the opposition parties to finance research offices.)

These were the words of Professor Smith as he addressed the Conservative conference in Niagara Falls on what this government, and the Prime Minister (Mr. Trudeau), had done in respect of the organization of this Parliament.

What was the effect of these reforms? Did they, as the resolution states, bring about an air of secrecy and non-disclosure to Members of Parliament? Here is what Anthony Westell says on the subject as reported in the Ottawa *Journal* of January 22, 1970:

> Although the complaining MP's make it sound as if their difficulties are new ones, and thus make themselves appear useless and ineffective, they have in fact made remarkable progress in adapting the Parliamentary system.
>
> Commons committees are tackling major issues today with a zest and freedom from party and parliamentary restrictions unknown just a few years ago. When they are not complaining about the

uselessness of their parliamentary lives, MP's are protesting that there is too much work to be done in too many committees.

The hon. Leader of the Opposition has been out stumping the country to give comfort—I am glad to see him back in his seat in parliament today—to people in the higher income brackets because of their fears of the tax proposals. Does he want to tell this House or the Canadian people that there is secrecy and non-disclosure in Parliament or in the committee in relation to tax reform? Is that what he told the people in the upper income brackets as he wandered around the country?

I want to suggest that the resolution fails to touch the real problems affecting Parliament, and I want to suggest we—

Mr. Alexander: How many letters did you get this morning?

Mr. Deachman: I see I am beginning to touch a nerve which results in chirping by members opposite.

Mr. Alexander: Get me a typewriter so I can answer the objections to the white paper.

Mr. Deachman: We could never confine ourselves to the narrow theme of secrecy and non-disclosure in this debate. The real theme, and the one we all going to deal with here, and which even the Leader of the Opposition dealt with when he raised the subject, is the theme expressed in the last words of the resolution, "the danger to the balance between the two structures of government—the executive and the representative".

If Mr. Westell feels that the committee system is playing a more vital role in Parliament, he and others have little good to say about what they see going on in this chamber. In concluding, the column from which I just quoted he says:

Above all, there is not much point in permitting broader scope, and in encouraging MPs to conduct their investigations with enterprise and independence, if the full House of Commons cannot keep up with the rising output because it insists on staggering along in its tiresome, time-wasting old way.

Some hon. Members: Hear, hear.

Mr. Deachman: In an earlier column on January 3, Mr. Westell spelled out in detail what he meant by "staggering along in its tiresome, time-wasting old way". Here are his words:

Conservative House Leader Gerald Baldwin—

I am glad to see that the hon. member has just come into the House and that the crowd is beginning to thicken up as I speak.

[Mr. Deachman.]

An hon. Member: They are thick all right.

Mr. Deachman: Mr. Westell said:

Conservative House Leader Gerald Baldwin denies there is any political strategy of holding up government business, but he frankly admits that the opposition feels no responsibility to help speed the legislative program.

Some hon. Members: Shame, shame.

Mr. Deachman: To put it in other words, the whole legislative program is staggering along in its tiresome, time-wasting—

Mr. Baldwin: Mr. Speaker, I rise on a question of privilege.

Mr. Deputy Speaker: Order, please. Is the hon. member rising on a point of order or a question of privilege?

Mr. Baldwin: I am rising on a question of privilege, Mr. Speaker. I am glad fate decided I should come in here this afternoon to hear this inaccurate statement that is being made. Had I known the hon. member was going to speak I would have been sure to be here to listen to his inaccuracies. What I said was that we had no responsibility to speed up legislative programs that are out of date. We have a responsibility to see that the legislation that is passed is good legislation. Certainly, on the basis of this government's record in relation to the legislation it has passed, very obviously this is going to be a very slow process.

Mr. Deachman: Mr. Speaker, let the hon. member deny what the press has said about him.

Mr. Stanfield: What would you do without that article to read from?

Mr. Deachman: I am just about to read the hon. gentleman another little piece. A little later in the same column, this is what is said:

So now the Commons is back in the familiar and frustrating position in which there is only a minimum of co-operation between the Government and the Opposition to keep the wheels turning—slowly.

The House Leaders of the four parties meet fairly regularly to discuss the timetable in the Commons, but they rarely make an effective agreement.

That is how the meetings of the House of Commons leaders work. The article goes on to state:

Even when the Opposition leaders are willing to make a deal with the government to put through an item of business, they are often repudiated by their own backbenchers who see no reason to limit debate.

Mr. Alexander: What was that again?

Mr. Deachman: I have some more, Linc; just hang on to your seat.

Mr. Baldwin: What would you do without Tony?

Mr. Deachman: I will tell you what I would do without Tony. On January 30, the Ottawa *Journal* had this to say in an editorial, and this is not by Tony:

> Of course the opposition is not without sin in the delays the House endures. The Government's impatience with progress in the present session is made more intense by the Opposition's leisurely and meandering discussion of, for example, the CNR financing bill earlier in the session.

That is what this Tory paper had to say. These remarks and dozens more like them appeared in papers across Canada in response to the information released in January by the Government House Leader showing how much work had to be accomplished in the present session and how little willingness there was to accomplish it. Noting that the House took five days and part of a sixth day to put through the CNR bill, our friend Westell concludes:

> • (5:00 p.m.)
>
> So when the Government and Opposition—

An hon. Member: A real friend, isn't he! That is the first real truth.

Mr. Deachman:

> —next clash on control of the House and its business, the public might ask not which is right in the particular circumstances, but whether Parliament itself can serve the national needs in the Seventies.

That is the real meat of today's debate. That I presume is the reason for the debate initiated by the Leader of the Opposition (Mr. Stanfield). That is what raises in many minds the whole question of the adequacy of this system.

Well, if this nineteenth century institution is inadequate in the last half of the twentieth century, we should be prepared to admit it and to search for valid alternatives rather than wait until events overtake us. I do not think the Tories believe their own stuff—nor do I think the public believes it—when they tell us that the new closure rule is too severe; that the Prime Minister (Mr. Trudeau) is too presidential; that ministers are not all in the House during the question period; that efficiency is smothering democracy; that the House leader is too tough; that the work program is too heavy for one session; that the committees are hamstrung; that the backbenchers are powerless and that the government is contemptuous of Parliament. I do not think the hon. member for York South (Mr. Lewis), who spoke in this debate, believes his own stuff when he says that the Prime Minister is an actor; that he functions in a vacuum; that he is callous toward the people; that he is callous toward Parliament and that his government is too technocratic.

Mr. Baldwin: What does Perry Ryan say?

Mr. Deachman: Ask him. He is closer to you than to me.

I believe the public wants us to get on with the nation's business in a modern and systematic say. I think the public is ready to see changes made in this old institution to accomplish those aims, provided we do not lose the sense of democracy which this institution preserves. I do not believe the public is fearful of examining parliamentary systems or even presidential systems, as the Leader of the Opposition calls them, in an effort to find new systems and new ways of keeping pace with the needs of Parliament. Here in Canada, in this House, we should be concerned only with finding the best system in the interests of all.

Let me dwell for a moment on some things which I believe we should be doing in this place. The government believes, and the government in England and members of Parliament in England believe as members of the parliamentary committee which went over there were told, that the government must have the right to have a reasonable program of work considered in a session.

Mr. Baldwin: Who is the judge of what is reasonable?

Mr. Deachman: You were there. The hon. member was a member of the committee and helped write the words in the report. When the report was made to the House he voted for it. I will tell the hon. member just precisely what was said.

Mr. Baldwin: I was the one who put in the word "reasonable".

Mr. Deachman: All right, good for you. The government must have the right to have a reasonable program of work considered in a session and, quid pro quo, the opposition must have reasonable time to examine the government's program before voting on it. My hon. friend agreed to all this but, in my opinion, he would be the last man in this House to co-operate with the House Leader in seeing

that the things that might make this House function more successfully are made operative today in this House.

Committees must organize and plan their own work in such a way that their members are able to cope with their House and committee assignments. This must be done. An increasing number of study papers, prepared with expert professional help and investigation, must flow from committees and party caucuses so that there is an increasing input of ideas into the formation of government policy—

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. Deachman: Mr. Speaker, I could conclude in about a minute or two. I wonder if I might have the indulgence of the House.

The Acting Speaker (Mr. Béchard): Does the House give unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): I am sorry but there is not unanimous consent.

Mr. Bell: Mr. Speaker, I believe under the rules to which we have agreed the hon. member can finish his sentence. This is permitted, but we are not going to listen to this guff all afternoon on our own time.

The Acting Speaker (Mr. Béchard): Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): The hon. member for Vancouver-Quadra (Mr. Deachman).

Mr. Deachman: Mr. Speaker, although I am allowed to finish a sentence, as all hon. members know it is extremely difficult for a member of Parliament to construct a grammatical sentence. I hope you will indulge me. We must recognize when we come here that we do so to deal with a government program in order to see that we have the best possible program in the interests of the people; further than that—

An hon. Member: Period.

Mr. Deachman: —we must bring to Parliament new ideas from which modern and beneficial legislation may flow. This requires a much higher degree of co-operation than we have witnessed in this current Parliament and it requires a much higher level of discipline in the management of debate. It requires better organization of committee work and it requires many improvements in our staffing and working methods. These are real challenges for hon. members on both sides of the House.

Mr. Barry Mather (Surrey): Mr. Speaker, the resolution put forward by the official opposition is a far-reaching one. It seems to deal with several things. Sometimes the motions brought forward by hon. members to the right seem to be rather double jointed, something like the title of their party. Although the title of my own party contains two words, at least its name is not a contradictory one. However that may be, I intend to confine my remarks to the part of the resolution which condemns the government for its arbitrary policies of secrecy and non-disclosure. We, for our part, also think the government is secretive. We have a proposal which we have already put forward as a means to cure part of that secretiveness.

I suppose the reason that I am speaking for our party at this moment is that I have a bill which deals with government secrecy, and how to avoid it. I refer to a bill in my name in respect of public access to government information. Of course, I am very much interested also in government information. It seems to me sometimes that government information and government secrecy are interchangeable terms. The Liberal government has been spending approximately $3 million a week on government information, for the most part so far as I can judge on publicity. It spends this money through the various departments and agencies of government, many of which are staffed by good friends of mine. They are very good fellows who, for the most part, are very anxious to do a good job in their fashion, but what a fashion to operate under! We have the report of the task force on government information. This is not the report of an opposition committee; it is the report of a government commission. That report strongly criticizes the government for its failure to provide government information sought by members of Parliament as representatives of the people of Canada.

• (5:10 p.m.)

It is a fact that at this moment there are scores of motions for the production of papers on the Order Paper of the House, and we are

all familiar with the recital or the set phrases used by spokesmen for the government in denying members access to those papers. The aim of these motions which we and other members put forward is to gain access to the information which will reveal the basis of the decision of the government on matters of vital interest to the Canadian public because these decisions affect the lives of the people. To the extent that we are denied that information, there is a great degree of government secrecy in that area.

The task force report—again I say it was the report of the task force appointed by the present government—was most critical of the government on this point. It pointed out that while the government is spending an estimated $148 million a year to provide publicity, largely to say how good the government and its agencies are, it withholds the very basic facts which the public's representatives want to learn.

We think that government information is desirable when it helps the public. We do not think it is desirable when it is intended to help the government. We think that government information is useful when it is information such as is needed by veterans, pensioners or health and welfare recipients. We do not think it is needed in fields such as the competition between sections of the armed services. We do not think it is needed when it is used in such advertising, for example, as was recently indulged in by the Unemployment Insurance Commission, largely, it seemed to me, to glorify the UIC.

This is not the time to go into the matter of Information Canada, but may I say in passing that I very much doubt whether the addition of this new layer of government publicity apparatus to the existing layers in the departments is going to do much to clarify, make efficient or reduce the cost of what government information should do.

As to that part of the task force report dealing with government secrecy, which is contained in pages 25 to 34, it deals with a detailed examination and criticism of the hush-hush and secrecy now observed by the government. There are also some excellent comparisons between Canada's outmoded procedure in this area and those of other countries, notably Sweden. I should like to quote very briefly from the report which indicates the difference between the Swedish method of handling government information, that is allowing the public and opposition members access to governmental facts, and that of our country. It reads:

> A full appreciation of the impact of the principle of open access can be gained only by giving some examples of the extensiveness of its operations. It applies, for example, to public documents kept by all sorts of administrative agencies, from government departments to police officers, administrative tribunals and local governments. Even parliament is under the rule; for instance, a citizen can demand to see the minutes of its committees. Moreover, anybody is entitled to ask for documents; he does not have to show that he has a legal interest in seeing them nor is he obliged to say for what purpose he wants them. To make sure that agencies do not purposely delay in answering a request, the Constitution of Sweden provides that a requested document shall be "made available immediately or as soon as possible", and the courts of Sweden in their judgments have taken this rule seriously.

A few months ago, the Southam news service, in making a survey which delved into government secrecy and the lack of access by the public to government information, said this:

> Creation of a freedom of information act such as the one on the statute books in the United States would be a way to greater access of the public to government information.

The United States act of 1966 requires federal agencies to make available for public inspection and copying all final opinions, views, statements, policies and interpretations, staff manuals and the like. The act gives to the American people the right to challenge public officials in the courts if access is refused. Such an act for the Canadian scene has been proposed by me, and without burdening the House with any of its details I will simply say that I believe the adoption of some such measure would be a step toward ending the high degree of government secrecy which now prevails. We should do this mainly by making the House, through its committees and individual members, privy to almost everything which is going on in the government. We in our party prefer that course to what the Prime Minister appears to be doing at this time in dominating the cabinet, the caucus and Parliament and making his own direct line to the public.

May I say in conclusion that we support the motion of the official opposition, not that we really believe they would do differently from those in power whom they criticise but because we oppose what is being done now.

Mr. John Roberts (York-Simcoe): For a few moments at the beginning of the speech of the hon. member for York South (Mr. Lewis) I thought we were going to have a discussion

on a theme worthy of that hon. member, and indeed worthy of serious discussion and debate in the House. At the beginning of his remarks he put forward very precisely and perceptively a problem which is a continuing one in the development of governmental institutions, that tension which exists between any opposition and any government on the allocation of time, that tension and that balance which exist between the opposition's right to discuss and the government's right to present its legislation. He spoke about the difficulties and the necessity of adapting the traditional system to the needs of a modern age. This has always been a problem in British parliamentary institutions—it is not a new one. Over a hundred years ago Walter Bagehot said:

> The most imposing institutions of mankind are the oldest; and yet so changing is the world, so fluctuating are its needs, so apt to lose inward force, though retaining outward strength, are its best instruments, that we must not expect the oldest institutions to be now the most efficient. We must expect what is venerable to acquire influence because of its inherent dignity; but we must not expect it to use that influence so well as new creations apt for the modern world—

That is really the problem that faces us as parliamentarians,—the creation or adaptation of institutions to meet the modern world. What a speech the hon. member for York South could have made on that subject because of his experience and his sensitivity to political questions! Alas, he slid off into an easy attack on personalities, a smashing attack against style. I always find it rather puzzling that the hon. member for York South should be so much against style when he is so stylish himself and is married to such a stylish lady.

There were a few words in his speech about technocracy. Of course, nothing has been done in the past two years, he said. Regional development, the Criminal Code, the official languages act—an act on which both he and I worked—the committee system, tax reform, changes in foreign policy,—all this was forgotten; for him nothing has happened in the last two years. And then there was his long, rambling discussion about Denison Mines. I do not regret the speech the hon. member made; I regret very much the speech he did not make and could have made about a subject of permanent and continuing interest to members of this House.

The Leader of the Opposition (Mr. Stanfield) meandered about the subject, gingerly sidling up once in a while to an argument, as is his wont. I am puzzled by the Leader of the

Opposition. Once upon a time he was the leader of a government in Nova Scotia and there was not a great deal of activity by the independent members of that legislature. It was not so much a question of how closely that government approached parliamentary democracy but what kind of oriental despotism is exercised. I say "oriental" because it was way down east.

• (5:20 p.m.)

This, Mr. Speaker, is a very curious motion indeed. I wonder if the Leader of the Opposition discussed it with the right hon. member for Prince Albert (Mr. Diefenbaker). I am not surprised to see that that right hon. member is not here, because this motion, particularly in what it says at the end, is an attack on the general theme which has been sustained by the right hon. member for Prince Albert throughout his parliamentary career. This motion scorns the government because it "endangers the balance between the two structures of government—the executive and the representative." Two structures of government, Mr. Speaker, two different functions; one independent of the other, one looking at the other, one checking on the other. This is not a description of what has been traditionally the theme of parliamentary democracy, which regards the executive as a committee of the majority party, a committee of the House of Commons, uniting the representative and governing functions. This motion rejects the fundamental parliamentary principle of making the executive and representative power—cabinet and Commons—mutually dependent. It makes them independent opposed structures. There is quite a simple description for that theory of politics. It is called the separation of powers. That is the system they have in the United States. The introduction of that system is something which the right hon. member for Prince Albert has fought against throughout his parliamentary career, and therefore I am not surprised to find him not here to support it.

Even more curious, of course, is the way in which this motion automatically assumes that the opposition members alone are the representatives of the people. They represent the citizens. They often talk about the arrogance of the government in power. I can understand that. When you don't have power you rather resent those who have it. But what about the arrogance of the opposition? They ignore the majority of the people who voted for the government.

Mr. Baldwin: A minority voted for the government.

Mr. Roberts: Yes, it was a minority vote, but I suppose that if a party which can collect barely 25 per cent of the vote wishes to say it represents the people, then it must maintain that delusion in its own eyes. Here is a government which has a majority of the members of this House. We have by far the bulk of the population supporting the government through the members of this House. But the opposition says: ignore that. Those government members speak not for the people. They, the opposition, are the representatives of the citizens. The cabinet is not representative of the citizens; they are. They manage to secure just something over a quarter of the vote, but they are the ones who are to speak for the citizens, and no one else. But they are not talking about the rights of citizens. They are merely talking about their own desire to talk, as long as they are interested in hearing themselves talk, whether or not the public is listening.

They, Mr. Speaker, are suffering from poverty. They are a poverty case. It is not a poverty of time, nor a poverty of opportunities. It is a poverty of ideas, a poverty of policies, a poverty of the capacity to communicate, and in the end, a poverty of leadership.

An hon. Member: They do a lot of talking.

Mr. Roberts: Sure, they do a lot of talking but they don't say very much, and that is their problem. Where do they stand? Where do they stand on the problems that young people face in our society? Where do they stand on the constitution? Where do they stand on the problem of drugs?

Go out through the cities of this country and ask the men in the street where the Conservative party stands on these issues, and you will find they are regarded as the grand, original know-nothing party. They wonder why nobody pays any attention to them. It is not because they have no opportunities to speak. It is because they have so little to say. As a result, they have developed a kind of foreign devil theory to describe their own inadequacies. They say it is the mean government which is depriving them of the opportunities to present their points of view.

They seem to say: never mind the funds provided us for research. Never mind each time a minister makes a statement to the press or on television, and tries thereby to communicate with the citizens of this country,—we will scorn that as an abrogation of the privileges of this House. And when a minister tries to use a modern means of communication, such as slides, a means which has been around for a long time, we will scorn that. When the government tries to provide information to the people through Information Canada, we will describe it as propaganda. When the government establishes committees of this House for the effective review of administrative decisions, we will downgrade that.

They ignore all these things, and take the attitude that the government is the scapegoat for the inadequacy of their own attempts to communicate to the people that which they do not have to communicate,—ideas and policies. The fault is not in the government but in themselves that they are underlings, and rather than look to the other side for scapegoats they should look into and search their own hearts for their inadequacies and failures to get through to the people of Canada what their position is. It might help them to do that if only they could find a position to hold, Mr. Speaker.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, we have had a very interesting debate thus far. I found it interesting to attempt to follow the rationale of government backbenchers trying to explain why they are powerless to influence the executive that is running this country today. They did a far-reaching job this afternoon in an attempt to convince somebody, I think really themselves, that they are useless—I mean useful around here.

An hon. Member: You were right the first time.

Mr. Horner: I will come to that later. This debate centres around the efficiency of the government. We have seen newspaper articles indicating that the government is efficient. But the Prime Minister (Mr. Trudeau) has been making snap decisions. Is this efficiency? We saw a snap decision made on the Estate Tax bill, and it pretty well had the country in an uproar. We had a snap decision on the white paper on reform of taxation, and another uproar, with the result that the Minister of Finance (Mr. Benson) does not know whether he means all that is in the white paper or not. The Prime Minister says he wants the people of Canada to tell him whether they like the white paper or not. Is this a proper kind of efficiency?

This is a democracy. In a democracy, the executive must be responsible to the elected representatives. Mr. Speaker, we have seen the roster system in operation. Nobody minds a minister being away from the House on government business, when he goes to Vancouver or overseas to study some problem. This is understandable. Every elected representative understands that point. But when Ministers deliberately stay behind the curtains, or run up to their offices, afraid to come into the House and answer questions about their responsibilities, that is not responsible government. That is not discharging the responsibilities of their office.

We hear members of the government talk about the fact that they were given a mandate. They were given a mandate to run the country—yes—but to be responsible in running it, to answer questions. We in the opposition have a mandate also, a mandate to scrutinize and to determine how legislation will be applied across the country. We heard some criticism this afternoon of the Leader of the Opposition (Mr. Stanfield) for going across the country and attempting to explain the application of the white paper. Certainly, this is correct. He has a mandate to watch. He has a mandate to examine, and to examine very carefully how the government's proposed legislation will be applied across the country. He has a mandate to inform the people.

Some hon. member opposite quoted the press a great deal this afternoon. The press have a role in democracy. Their role is to be critical, to examine closely so as to inform the people of the exact application of the legislation and how the people will be affected.

The press, of course, today are groping and grasping for more and more power. They want the complete opposition out of the House. This is the way it is in the presidential system. The Leader of the Opposition isn't around. He is not in their debates. This is the way the press want it in Canada today. They want to take over the official role of the Official Opposition. That is their aim. That is their game.

Mr. Perrault: Oh, marshmallows.

Mr. Horner: I hear some comment from that great wizard down there. He has been pretty quiet lately. He must be discontented. Debate in this House must at all times reflect the mood of the country. If it does not, democracy has failed somewhere along the line. If the country is stirred up over the white paper then this House, in which are the representatives of the people, must be stirred up over the white paper. If the country is stirred up over the lack of housing in our cities and small towns, then this House must reflect that mood and be stirred up over the question of housing.

• (5:30 p.m.)

Did the government, during the election campaign, tell the people of the country it would bring in the new estate tax legislation and implement the Carter report? Did it say it would out-Carter Carter, so to speak? It did not, and it should be made to answer for hoodwinking the people.

The restlessness of the country ought to be expressed in the House, but hon. members cannot do that because they are thwarted by the rules and the skilful manipulation of those rules by the President of the Privy Council (Mr. Macdonald). We all know how the committees system works. If the chairman does not turn in a report which the government favours, he is dismissed, jerked off that committee. That is what happened to the hon. member for Calgary South (Mr. Mahoney) who served on the Transport Committee; he was jerked off the committee and someone more receptive to the government's ideas was appointed.

Some hon. Members: Oh, oh!

Mr. Mahoney: Mr. Speaker, I think the hon. member for Crowfoot (Mr. Horner) ought to be more precise in his allegations. He is not, and therefore I cannot really respond to him. However, no such incident as he alluded to occurred so far as I am aware.

Mr. Horner: Mr. Speaker, I am allowed only 15 minutes and will not waste time arguing. The hon. member knows very well what I am referring to in connection with the Great Slave Lake Railway contracts. The hon. member for Assiniboia (Mr. Douglas), who also served on that committee and also favoured a position contrary to the government's on this matter, was dismissed from the committee. There were three such hon. members, and I shall remember the third in a minute. Those three hon. members were dismissed for not following the line laid down by the government.

Mr. Baldwin: Shame.

Mr. Horner: What do the backbenchers feel about their role here? The Prime Minister's right-hand man from Toronto, the hon. member for Trinity (Mr. Hellyer), resigned from the cabinet because he could not stom-

ach the way this government was acting. The hon. member for Spadina (Mr. Ryan) left the government side of the House and came to this side to sit as an independent. What did he have to say about the rules and opportunities for participating in debates? And what did the hon. member for York West (Mr. Givens) have to say? I will read an excerpt from the Toronto *Star* of January 19:

> Givens said this makes MPs 'about as useless as an udder on a bull.'

His meaning is pretty plain. What did the hon. member for York East (Mr. Otto) have to say about our committees system?

He said, as reported in the *Globe and Mail* of February 20:

> —the government has told its backbenchers they are not to amend bills or estimates in Commons committees.

Did the people of this country give this government that kind of mandate?

An hon. Member: It should resign.

Mr. Horner: The hon. member for York East also said, as reported in the *Telegram* of February 20:

> Although committees have been given a great deal of work to do, the government members of the committees have been instructed to make no changes to the bills coming before the committee, and to vote exactly as they are told by the government.

I will not read what opposition members are reported to have said. The hon. members for Trinity, Spadina, High Park (Mr. Deakon), York West and York East have at one time or another expressed complete dissatisfaction with the system which denies them an opportunity to participate in House of Commons debates. There you have five members representing one of Canada's major cities who completely reject the way our Parliament has been operating and who think they are about as useless as udders on a bull.

Mr. Baldwin: Other government members feel the same way, only they have not the courage to say so.

Mr. Horner: Only if ministers are in the House during the question period and answer questions can the government be made aware of the country's problems. Ministers are not here; they hide themselves during the question period. Then, too, some behave as the Minister of Transport (Mr. Jamieson) behaved when he announced the reorganization of his department. Instead of announcing the reorganization in the House and answering hon. member's questions, he appeared on television at ten o'clock in the morning and made his announcement.

Other ministers behave similarly and then come to the House and table reports without giving the people's elected representatives a prior opportunity to examine them and ask meaningful questions. I have said repeatedly that behaviour such as this is unacceptable because in this way ministers are evading their responsibilities to the democratically elected representatives of the people. Sometimes I wonder if we are adopting the presidential system of government, but at least under that system there are checks and balances to the executive power. United States government committees exercise real power and check the power of the executive. Under our system we seem to be moving toward a presidential form of government without adopting the checks and balances that offset the president's power.

The motion before the House is timely and expresses clearly to any backbencher the danger Canada faces. Our parliamentary system is changing for the worse because although our Prime Minister may make snap decisions which are not always in the people's best interests, he need not answer to anyone for those decisions. The President of the Privy Council complained that the question period has become a sparring match for political points. Perhaps that is how the cabinet sees it. We try to ask our questions earnestly and obtain information on government policy, only to be met with smart replies and quick quips. For instance, if one were to check the record one would see that 90 per cent of the Prime Minister's answers are smart, political quips which contain no information. Is that what the people of Canada told him to do when they elected him? Is that the way a government responsible to its people behaves?

Our system of government is founded on the principle that the government is responsible to the elected representatives of this country. The Prime Minister has not accepted that responsibility, and until he does the agitation and unrest throughout the country will continue. Let's not fool ourselves: if a government shows no concern for its people you will see burnings, lynchings and all kinds of destruction. Just look at what has been happening south of the border. Under our system of government we reflect the country's angry mood in our debates and by demanding that the government show responsibility toward the democratically elected representatives of the people. This government has not accepted

that responsibility; it has made no attempt to even become interested in it. It is no wonder the country is completely agitated and concerned. I see my time has expired, Mr. Speaker.

• (5:40 p.m.)

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I listened with a great deal of interest to the speech of the hon. member for Crowfoot (Mr. Horner). I would like to remind him of some facts concerning the Great Slave Lake Railway case. It is one I was interested in and participated in to some extent. I spoke to the hon. member for Calgary South (Mr. Mahoney) to see if he was in fact yanked off the committee. He informed me he was not; he voluntarily took himself off the committee to take a trip to his constituency. I recall that the original draft report which dealt with that case was turned down by the committee. The report that was adopted was drafted by the hon. member for Crowfoot. There has been a certain amount of non-partisanship in that committee's deliberations.

Mr. Horner: Mr. Speaker, may I ask the hon. member a question? The report to which the hon. member is referring which was drafted by me and unanimously accepted, was it concurred in by the government: has the government acted on it yet?

Mr. Reid: I understand the Minister of Transport (Mr. Jamieson) has been in consultation with the railway and the people making the claims to set up a proper tribunal to adjudicate the claims.

Mr. Horner: Why does the government not concur in the third report of the Transport Committee? That is the report to which you are referring.

Mr. Reid: I forget the number of the report, but the report on the Great Slave Lake Railway recommended that an investigation be made under the Inquiries Act. They are now trying to determine the type, number and quality of people to carry it out. It seems this is as reasonable an approach that any government could be expected to take.

We are discussing a rather long, rambling and very unprecise resolution:

> That this House condemns the government for its arbitrary actions and destructive policies of secrecy and non-disclosure including its attitude towards Parliament which deny the right of citizens in this country to be informed and to participate fully in the government of Canada, particularly through their elected representatives, and which endanger the balance between the two structures of government—the executive and the representative.

Mr. Baldwin: Read it again it sounds good.

Mr. Reid: I am not one of those members who speak very often in this Chamber. I have not had the opportunity to develop a speaking style and do not feel at ease when speaking in the House of Commons as do members of the opposition. It seems that when we are talking about the powers of Parliament, what we are really talking about is the quality of debate and the impact Members of Parliament can make on the general public: that is where the real power lies. This institution is not here for us to exercise power as our own right. We are here to exercise power as delegated by the people who elected us. If we are to have good debates and make our points clearly and forcibly to the public at large, the whole process must be dependent upon the exchange of ideas by members of the opposition and members of the government.

I came to this House in 1965, and it seems to me that the quality of debate has fallen off sharply since the election of 1968. The personnel on the government side have remained relatively constant; the personnel of the opposition, including the leadership, have changed. A logical analysis would lead one to believe there has been a decrease in the ability of the opposition to even oppose effectively, let alone initiate new ideas and concepts of government.

There has to be a two-way street. The House of Commons is not a forum for the government; it is basically constructed to provide a forum for the opposition. One of my frustrations as a backbencher is that the opportunities for me to speak in this Chamber are extremely limited because of our antiquated rules and the limited opportunities under those rules for members such as myself to participate. Until we have a sensible allocation of time rule in this House, government backbench members will have to pay the price; we will be unable to participate as much as we would like. It is necessary for the government to rule. For the government to do that, legislation must be passed and discipline exercised by the backbenchers in order that the greatest good can be accomplished.

I wish to say a few words about the committees system, which has been derided as a voice of the House of Commons by reason of the rules and attitude of opposition members. I get satisfaction from my committee work. I have been rather fortunate to be involved in

a number of issues in which there has been a great deal of excitement and the committees have had an opportunity to make genuine contributions.

I will use as an example the experience of the Broadcasting, Films and Assistance to the Arts Committee when dealing with the Company of Young Canadians. We held extensive hearings over a six-week period. We drafted a report which was submitted to the House of Commons. After considering the report, the government introduced legislation which in the main followed the recommendations which an all-party committee had made. I would point out to the Leader of the Opposition (Mr. Stanfield) that very few party lines were drawn in that committee. The reason for this was that no party had given instructions to its members that they must take this position or that: the members were able to evolve the policy which was later accepted by the government. Certainly there were differences in detail; the members of the official opposition wished to wind up the CYC and some Liberal members voted with them, but the majority of the committee recommended that the operation should be continued under a new structure.

The Leader of the Opposition said something about removing participation from the council of the CYC. This is so, and the suggestion was included in the report but not as a strong recommendation. The report indicated that the system of participation of the CYC, by volunteers on the council, had not worked and was not likely to work in the future; therefore, if the Company was to be continued some other form of governing system had to be worked out. The government came up with the concept of a Crown corporation. This is a concept which has worked well in the past. Any Member of Parliament who has tried to get the CBC, the CNR, Air Canada or the Canada Council to change its mind once it has been made up under the Crown corporation system knows that these agencies have as much independence as they care to exercise.

I can think of one example which was raised some time ago in committee when the Canada Council had the temerity, according to the hon. member for Brandon-Souris (Mr. Dinsdale), to award Mr. Stanley Gray of Montreal a $5,000 scholarship. The members of the official opposition on that committee did everything they could to get the minister and the officials of the Canada Council to revoke the award. I am sure the Leader of the Opposition knows it was not done.

There are great powers available to members of committees if they wish to exercise them—which of course is the biggest risk of all. Many members on both sides of the House do not want to take this risk: it means exposing themselves, going out on a limb and taking your chances with the public. I feel the committee system that we now have is stronger than it has ever been. It is still evolving and getting stronger. Standing Order 65(8) sets out the powers of a standing committee. It reads:

> Standing committees shall be severally empowered to examine and enquire into all such matters as may be referred to them by the House, and, to report from time to time, and, except when the House otherwise orders, to send for persons, papers and records, to sit while the House is sitting, to sit during periods when the House stands adjourned, to print from day to day such papers and evidence as may be ordered by them, and to delegate to sub-committees all or any of their powers except the power to report direct to the House.

Any fair-minded person reading that Standing Order will realize that committees have a great deal of power and authority. It is a question of how much will and desire there is to exercise those powers. We have real problems in the committees system; I do not think anyone doubts that. At the present time there are 24 committees of the House of Commons; 19 standing committees, four joint committees and one which the House approved a few weeks ago, a Special Committee on Pollution comprising 15 members. This committee has yet to be established. This gives a total of 24 committees. They require a total of 595 Members of Parliament to staff them. There are 264 members in the House. Deduct 30 cabinet members, 16 Parliamentary Secretaries, 20 members for chairmen and 20 members on the opposition front benches who do not participate continuously in committee proceedings, and one is left with 178 members who are available for active committee duties—about 3.25 to a committee.

• (5:50 p.m.)

Therefore, it seems to me that to ensure a much stronger committees system, three things should be done as a first step. The size of committees should be reduced to 12 members. We have experimented with this idea in the case of several special committees, such as the committee to consider the official languages bill. At present there are two committees of this size among our standing committees. This, it seems to me, would be a useful reform.

Second, we should reduce the number of committees from 19 to 14 or 15. Third,

research facilities should be made available to committees from the Library of Parliament research staff on a better basis. At present, members of this staff are being seconded to committees by reason of a somewhat dubious procedure. The problem is that once a committee obtains the services of a research person, it rarely lets him go. If the staff of the research section were increased, or if a separate division were set up, it would make it largely unnecessary to employ outside persons, often at considerable expense.

One of the things which might be changed is the method of appointment to committees, although I have no particular quarrel with the present method. It is my experience that no member has ever been pulled off a committee for voting against the government or for exposing weaknesses of administration. Tenure is always accorded. The government is well aware that if any member was yanked out of his place there would be a tremendous outcry. So members have as much freedom in committees as they want to take. That, of course, is the key phrase. Very often, though, members who might be doing useful work in committee do not perform this work because they would prefer to see their names in the media. To be named by the media means to be spectacular and, to some extent, irresponsible because of the competition for media space among Members of Parliament. If we could forget the joy of seeing ourselves through the media we might be far better committee members and even far better Members of Parliament.

The Leader of the Opposition spoke about government hiding information. Anyone who looks at the amount of information being dredged up by committees cannot take such a charge seriously, particularly when under the current system officials of the departments, together with ministers, for extensive periods of time, are available for questioning. In addition, of course, it is possible for committees to send for papers and outside witnesses in connection with almost every subject which comes before them.

It is my opinion that Members of Parliament do not yet sufficiently appreciate the possibilities which the current rules provide. For some reason we are not prepared to do the necessary work in committees, though this would lead to greater knowledge and would obviously make us more effective Members of Parliament. It is not so much lack of information which concerns me; it is the inability of members to make good use of the information already available to them. This may be because our office facilities do not permit us to spend the time on this work that is necessary; the library research staff is overloaded. Nevertheless, in my opinion members do not take advantage of all the opportunities which now exist.

The House of Commons, and to a large extent the committees, are really a forum for the opposition. The government can take no blame or credit for a sparkling House of Commons, because the initiative must come from the opposition. The opposition has to provide the alternatives, the new approaches. I regret that when the record of this debate is read tomorrow it will probably be seen that the best speeches were made by members on the government side and not, unfortunately, by Members of Her Majesty's Loyal Opposition.

Mr. MacInnis: With the time so close to the dinner recess, may I call it six o'clock, Mr. Speaker?

Some hon. Members: Agreed.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I intend to open my remarks this evening by quoting a few excerpts from the press. When quoting passages there is always a danger, of course, that you are repeating the words of somebody who has referred to the same quotation; but even if repetition is imposed on the House, this is absolutely necessary so that the government is made to see the error of its ways. I should first like to quote an editorial which appeared in the *Globe and Mail:*

> At the time the article was written there were 45 task forces in existence compared to four royal commissions, and some 60 per cent of these were using surveys. About 18 of the task forces came directly under the Prime Minister's office or the Privy Council office.
>
> There are significant differences between task forces and royal commissions; perhaps the most important is that neither statute or convention requires task forces to make public their reports.
>
> There is a real danger in the secrecy which surrounds the surveys done by task forces.
>
> Those who were just surveyed do not know what the reports contain, the public does not know, parliament does not know.

When the government makes its policy decisions, it uses these reports. The public and Parliament cannot know on what facts the decision was based. It may be on factors known to all; or on secret information in the reports.

The public and Parliament cannot even know if the information was valid.

In one case it was not. After the Hellyer task force on housing reports, the government put a freeze on large public housing developments. It claimed that it did this because studies had shown that such projects had serious social, psychological and economic defects, and required further study.

It turned out later that the particular study involved had been only a pilot project designed to discover how such a study should be made. It has not surveyed a statistically meaningful group, just 100 public housing residents . . . the study was not nationally, provincially or even municipally representative. Of its use, its author said, "it's a good study—

Yet on the basis of that study the freeze was established.

This is far too dangerous a way to run a country. It opens the possibility—which cannot be checked by parliamentary opposition—that the decisions are made on inadequate or faulty research. It was another, quite unjust, effect; it provides masses of research, some of it undoubtedly of value, to experts outside government who may use it for their own purposes. This could be grossly unfair to persons and businesses surveyed, who do not have the information themselves.

Participatory democracy, if it is not to be cynical, must include feed-back as well as feed-in. The public and Parliament must be as well informed as the government if they are to challenge the government policy effectively. Never should private individuals have private use of government commission surveys.

I should like to refer to a report which appeared in the Saskatoon *Star-Phoenix* of October 24, 1969, entitled "Open government ahead":

• (8:10 p.m.)

Mr. Trudeau, through the Throne Speech, leads us to believe he too is striving to capture that spirit (participation), however, the performance of his administration so far has been dismal in this respect.

In one breath he talks about participatory democracy and in another he refuses to reveal government deliberation and findings, even to members of his caucus.

When the Prime Minister (Mr. Trudeau) refuses to reveal information to his own caucus I am reminded of the set-up within the committees which were supposed to be so useful during this Parliament. There is no doubt that the committees themselves are a farce. I say this now because in essence I am quoting an hon. member of the Liberal party, a member of this House, who made a statement to the effect that Liberal members were instructed not to make any changes whatsoever in the legislation placed before committees.

If I were saying that on my own, no doubt I would be challenged on a question of privilege by someone on the other side of the House. In the end I might even have to stake my seat on that claim. I am repeating the remark made by a Liberal backbencher to the effect that the committees were useless. The government is completely ignoring the work of committees. We have had several examples of that recently. Again I say that if I were to make that statement on my own I would be challenged immediately by a member on the other side of the House and would probably have to stake my seat on that claim.

An hon. Member: Oh no; it is not that important.

Mr. MacEwan: You are waking them up, Don.

Mr. MacInnis: Don't offend the lads sitting to your front and left. Prior to the supper hour we heard the hon. member for Kenora-Rainy River (Mr. Reid) talk about the responsibilities of opposition in this House. I should like to know what he knows about responsibility, when he does not know what it is to sit on this side of the House seeking information and not knowing where this government is going. Is it any wonder that the opposition does not know where the government is going, when its own backbenchers do not know where it is going?

We have heard Liberal members outside this House complaining about the committees' structure; we have heard them complaining about the caucus because they cannot put their views before the caucus, and we have heard them complain that they are only allowed to speak in this House with permission.

An hon. Member: Oh, oh!

Mr. MacInnis: The hon. member says "Oh, oh!" Speak to your House leader. It follows that they are not only caucusbroken and committeebroken; they are also Housebroken.

Some hon. Members: Hear, hear!

Mr. MacInnis: Getting back to the question of what members of the opposition are faced with, I would refer to the question period. The question period has turned out to be a complete farce. We have a roster system. When I raised a question of privilege on the

roster system a couple of weeks ago, it was accepted by Mr. Speaker; it was not ruled out. I asked for a ruling as to whether the roster system was in keeping with the qualification put on questions that are asked orally in this House every day. I say this is a violation of the question period. I can refer to precedents by a former Speaker of this House who ruled on the urgency of a question raised. It did not involve a matter of days, hours or minutes. Now, it involves a question of seconds: a question must be qualified as urgent before it can be asked in this House.

I say to the government that the practice of predetermining the absence of ministers and keeping them out of this House—they are kept out of the House, because we had the example of the Minister of Fisheries (Mr. Davis) who wanted to come in and answer a question but had to get permission to do so, and on that day permission was denied him—is wrong. My question of privilege was not ruled out, and as yet there has been no ruling on it.

The roster is a complete violation of the question period, as are the qualifications placed on questions asked during that period. Let us take today, for example. The Minister of Fisheries sat dumbfounded in his seat when asked what he was going to do in respect of legislation passed in this House six years ago. He was asked what he was going to do to protect our fishermen and our fishing industry. There is no denying it—this House passed legislation six years ago that gave the Minister of Fisheries authority to protect the fishing industry and fishermen. He sat mum today; he could not, or would not, answer. Why? What is this practice doing to the question period? It is making a complete farce of the question period. In fact, Parliament is being made a farce of.

Some hon. Members: Hear, hear!

Mr. MacInnis: We have had any number of examples of this. We have had the Prime Minister rise in this House and say, in answer to a question in respect of the *Manhattan* project, that it was not in any way, shape or form involved in any question of Canada's sovereignty in the north. Two days ago we heard over the radio from Newfoundland a statement by the Minister of Transport (Mr. Jamieson) saying there must be a joint effort between his department and the Department of National Defence to protect our north because of the question raised by the *Manhattan* project in respect of Canadian sovereignty in the north. This was a complete denial two days after the Prime Minister made his statement.

While we are talking about denials let us take another look at the Minister of Fisheries. He sat mute in his place despite the fact that legislation passed by the House provided him with the means of defending and protecting the Canadian fishing industry. This is the same minister who has gone around the country condemning his own government. The Prime Minister said not too long ago that there were going to be no loose-lipped statements made across this country by ministers. At one time it was an accepted principle that if a minister made a statement outside the House, unless he said he was speaking personally and on his own account, any statement he made outside the House was, in effect a statement of government policy.

Let us look at what the Minister of Fisheries has done to his own government. He has completely denied it. He has criticized and condemned his own government; yet he sits here and enjoys a seat on the executive of this country. He sits in the government with a Prime Minister who maintains he is going to maintain discipline within his cabinet. He is maintaining discipline all right! He is shoving the backbencher down, to use his own phrase, to a nobody. That is what he said we were, and that is what he is saying you are over there. You are nobody outside the House; you are nobody inside the House; you are nobody at caucus, and you are nobody in committee.

The Prime Minister is allowing the Minister of Fisheries to get away with a condemnation of his own government. Let me quote from a remark he made in British Columbia not too long ago:

> I don't believe all that I read about dying lakes and sickening seas. Most of it is poppycock—written by novices who are reaching for headlines—

That is, anybody who questions pollution in this country or says anything about it is just a novice reaching out for headlines. That is what the minister said in British Columbia. Let me now read what the government has said—and the Minister of Fisheries is part of the government. I quote from the Throne Speech:

> The evidence of past failure to rehabilitate our water resources is there for all to see—befouled water, despoiled beaches, rotting marine vegetation, and diminished fishing.

If this is not a complete contradiction by the Minister of Fisheries in respect of his own

cabinet and government, what is it? Where is this Prime Minister with his discipline? Where is he now in respect of his statement that no minister will go around the country making loose-lipped remarks about government policy? Here we have a minister completely condemning his own government, the members of which sit in silence when legislation of his House provides them with ways and means of protecting our fishermen. They do not answer. They contradicted their own Prime Minister two days after his back was turned.

Then we have the Secretary of State for External Affairs (Mr. Sharp) with his concern about the recognition of Red China. This is a dandy! Red China must be recognized. Why must we recognize Red China? The minister says it is so we can bring influence to bear in respect of peace in the world. Let me tell you that nations with far greater influence than Canada have recognized Red China, and they are not influencing Red China in any way, shape or form. This is a lot of poppycock, using the words of the Minister of Fisheries. This is a lot of nonsense. Twenty million Canadians will not influence 700 million or 800 million Chinese. They will make up their own minds. The minister of external affairs is wasting an awful lot of the Canadian taxpayers' money and time in trying to bring about this recognition. I am reminded of what one old philosopher said about Red China. He said—and this should be given considerable consideration—that he thinks it would go well with a white tablecloth.

• (8:20 p.m.)

When asked if Canada would maintain its boycott against Rhodesia, the Secretary of State for External Affairs did not take a better line on the colour problem. He said we would maintain the blockade on Rhodesia rather than give recognition, in order to bring about a more satisfactory solution. He cannot solve the problem in that country, yet he wants to go to work on 800 million Chinese.

We have the Prime Minister going about this country taking chips off the Minister of Communications (Mr. Kierans). He thinks it is great sport to make fun of the mail service of this country. No doubt there is reason to take chips off the Minister of Communications because the mail services are fouled up. But what does the Minister of Communications do—

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

Government Administration

Mr. Steven Otto (York East): Mr. Speaker, at the beginning of this debate I heard a very precise quotation from Machiavelli by the Leader of the Opposition (Mr. Stanfield). But had he examined the book a little further he would have found that a worth-while prince, having encountered opposition to his plans, shall take good advice and shall continue his course of action in such a way that will make him loved and revered throughout the nation.

No one in this House would dare accuse me of ever kow-towing to either government edict, the Prime Minister's edict or anyone else's edict. I have always spoken however I thought right. I do not deny the statements I made 18 months ago. Hon. gentlemen opposite do not consider what is the great privilege of the House that they so fondly protect and want back again. One would imagine that prior to this administration this House was a most powerful body. It was not. It was a club. It was a luxurious and very exclusive club, but nevertheless it was a club. The committees had no meaning and this House had no meaning. We talked, not to each other but at each other. It was sad.

We discussed estimates, for example, and when the estimates were before us we could discuss any subject we desired. An hon. gentleman not now with us, from Fort William, regularly moved that the estimates be reduced from $700 million, $800 million or $100 million to $1. It was a vote of non-confidence. We were expected to be able to examine the estimates, but this was not the case. I do not deny for a minute that when this administration took over—and the Prime Minister (Mr. Trudeau) does not deny it either—the amount of policy decision-making was nil. It was recognized that government policy by and large was dictated by the elite, whether administrative, financial or other economic elite. It was the Prime Minister's determination to change the course of this Parliament.

An hon. Member: So he could do it himself.

Mr. Otto: No. It was his determination that more voice should be allowed in respect of policy decisions made in this House or in committees. The introduction of the regional desks was an idea. It has not developed as had been expected, but on the other hand I think it was a good idea. The regional desks are now helpful to members although they are not a substitute for this House of Commons or the members who sit here.

The committees system about which I spoke was confined at one time, but I can assure the House that this situation no longer exists. Indeed, members of the committee are free to alter legislation. As an example, a suggestion that went before the Committee on Indian Affairs and Northern Development came forth in this House directly contrary to government opinion and yet it was accepted. Recently the Secretary of State for External Affairs (Mr. Sharp) had to bring forward an amendment in respect of the Research Development Corporation bill which was not to his liking, but it was the decision of the committee which put it forward.

If, indeed, there is not enough input into committees by members, it is our own fault because we have the opportunity to digest, examine and carefully go over all legislation. We do not do this because we have still ingrained in us the idea of opposition in the House. Every innovation is immediately contested by the opposition who think that the rights of Parliament are being abrogated. In fact, on one occasion the hon. member for York West (Mr. Givens) and I decided it would be worth while to go over to the opposition just to show them how to oppose. They have not taken advantage of the news media to form an effective opposition. Instead of taking advantage of all the powers the committees now have and all the opportunities to contribute effectively and knowledgeably, they sit here and complain about the good old days—but the good old days were not the good old days.

Mr. Horner: Mr. Speaker, could I ask the hon. member a question?

Mr. Otto: I will answer questions after my few remarks. Some mention was made of the question period. One would imagine, and we and the people of Canada are supposed to imagine, that members who ask questions are really seeking information. That is nonsense. They know the answer, otherwise they would not ask the question. Now we have a committees system whereby members can ask questions until they are blue in the face. Members need not pass estimates or legislation until they are satisfied.

Mr. Danforth: That is wrong.

Mr. Otto: It is not wrong. There has been a great complaint that this House has lost its power and that the Prime Minister is somehow deemed to be a dictator. We have a system in caucus whereby all members will be consulted first, as the caucus chairman can tell you, on policy decisions. Now there must be approval by the elected representatives before policy decisions are considered by the committee of cabinet. I say this with all respect and without partisanship. There is an avenue that I would like the House leader to consider, because opposition does not generate from the Prime Minister to giving committees the right and the power to examine and scrutinize the estimates and make recommendations which the government will accept.

• (8:30 p.m.)

I am sure that if we showed responsibility —and judging from this motion and the speeches made in the House I cannot see that we have yet shown it—and if the opposition did an effective job in accordance with the new procedures, we would have as backbenchers and representatives of the people some say with regard to the estimates, the money which the administration so badly needs. If indeed we exercised the power to control the estimates and made recommendations as to how much money the administrators would have, you would be surprised how important the backbenchers would become.

I think that day will come. But we cannot and should not blame the Prime Minister for not trying to get more input from Members of Parliament. He has done everything. He has made changes in the cabinet structure and in the caucus; he has allowed members to bring in new ideas and new legislation, at times to the embarrassment of ministers; he has allowed amendments to be made and he has allowed everyone to speak up. Now the responsibility is ours.

Mr. Deputy Speaker: Order, please. The hon. member for Cape Breton-East Richmond (Mr. MacInnis) wishes to rise on a question of privilege.

Mr. MacInnis: Mr. Speaker, my question of privilege arises from the statement just made by the hon. member. I will qualify my question by stating that I have in my hand a newspaper clipping in which the hon. member's picture appears and in which he is quoted as saying:

> The instructions were that bills are to leave the committees in exactly the same form as they enter—

The statement as quoted is in direct contradiction to what he just said.

Some hon. Members: Hear, hear!

Mr. Otto: There is probably one member in this House who will not admit there is a change when he sees one. I am not that member. The hon. member who just raised the question of privilege may hold on to his views until the end; however, so far as I am concerned, when I see a change I recognize it and I give credit to the Prime Minister who made the change.

Some hon. Members: Oh, oh!

Mr. Danforth: Yes, sir, Mr. Prime Minister, sir.

Mr. Deputy Speaker: Order, please. Is the hon. member rising on a question of privilege?

Mr. MacInnis: Mr. Speaker, on a question of privilege, I ask the member whether he has completely withdrawn the statement he made in respect of the committee hearings.

Mr. Deputy Speaker: Order, please.

An hon. Member: That is not a question of privilege; it is an interruption.

Mr. Deputy Speaker: I have grave doubts whether this is a question of privilege. It seems to me the member raised a point of debate between himself and the hon. member for York East and I do not see how this constitutes a question of privilege.

Mr. MacInnis: It is a question of privilege if any hon. member tries to impose an untruth on this House. I do want to know whether the truth is in his statement which I quoted, or in what he said just now.

Mr. Otto: The hon. member is obviously not rising on a question of privilege. However, I will say right now that obviously the Prime Minister paid attention to what I and others have said, and considered it carefully. He thought there was some truth in it and he changed his idea and said, "Go ahead, fellows".

Some hon. Members: Hear, hear!

Mr. Danforth: Yes, sir, Mr. Prime Minister, sir.

Mr. Otto: There is a big change, a very radical change in the composition of Parliament as it is now. The committees have a lot of power.

Some hon. Members: Oh, oh!

Mr. Horner: You must be going to the Senate.

Mr. Otto: But, of course, with members such as the hon. member for Crowfoot (Mr. Horner) it does not matter how much power the committees have, they will never get anywhere. Indeed, sir, I rose to my feet without attempting to deny what I had said. I was trying to point out in all seriousness that the committees can be very effective. I am sure that with the research assistance and the greater facilities we now have, we can contribute a great deal to the policy decisions of this government and take them out of the hands of the administration and the elite.

However, what worries me is that as long as this situation goes on, the elite and the administration will continue to hold power because we have not shown responsibility. We have to accept these changes because other changes may not be all to the good. By and large we now have a system that can work. It needs only our desire and our willingness to make it work. It is no good looking back to the old days: the old days were not that good.

If hon. members examine the old days carefully, they will discover that the House was unable to work effectively and that this disgusted and frustrated most new members. The House became a club to which one had to become accustomed. Now there is a new avenue. I plead with all members to make use of it, and I guarantee that the Prime Minister will not oppose it. He wants contributions from members.

Mr. Deputy Speaker: Order, please. I am afraid the hon. member's time has expired.

Mr. Horner: Mr. Speaker, may I be permitted to direct a question to the hon. member?

Mr. Deputy Speaker: Order, please. The hon. member's time has expired. The question can be put at this point only with the unanimous consent of the House. Is that agreed?

Some hon. Members: Agreed.

Mr. Horner: I should like to thank the House for being so generous to me. Is it not true that under this change, the hon. member's party in fact only meets in caucus every two weeks, that government members have to file notice before raising a question—

An hon. Member: Oh, no!

Mr. Horner: —and in fact they are given only three minutes to speak? Is it not true, also, that the hon. member is a member of only one committee at present, which happens to be the Committee on Miscellaneous Private

Bills and Standing Orders, which is a very innocuous committee and studies little of the affairs and the economy of the country? Is this not a fact, and is this the reason for the great change we see in the hon. member?

Mr. Otto: I can say that every statement is untrue. First, the caucus functions very well—

Mr. Horner: Mr. Speaker, on a question of privilege.

Mr. Deputy Speaker: Order, please.

An hon. Member: Sit down.

Mr. Deputy Speaker: Order, please. I take it the hon. member for Crowfoot is now rising on a question of privilege.

Mr. Horner: My question of privilege is this: The hon. member stated that every part of my statement is untrue. I point out to you, sir, that I have before me *Votes and Proceedings* and a list of standing, joint and special committees in alphabetical order appended to *Hansard*. I have checked the membership of every committee, and I see the name of the hon. member for York East (Mr. Otto) under only one committee, namely the Committee on Miscellaneous Private Bills and Standing Orders. We all know that under the rules of the House it takes three minutes or less for the name of an hon. member to be put foward as a member of a committee.

I defy the hon. member to say that he is on more than one committee at present. According to the list of members of committees as recorded in *Hansard*, the hon. member's name appears only once. He is on one innocuous committee that studies very little of the affairs and the economy of the country.

Mr. Deputy Speaker: Order, please. I wonder if we are not on a matter of debate here.

Mr. Benjamin: We are, but it is fun.

Mr. Deputy Speaker: I am prepared to hear the hon. member for York East, but I would remind hon. members to keep to the matter under discussion. I would prefer to recognize the hon. member for Shefford (Mr. Rondeau).

Mr. Otto: Mr. Speaker, on a question of privilege, I attempted to answer the hon. member calmly, and I am still trying to do so, but if he checks carefully he will find that I am also a member of the Committee on Health and Welfare and Social Affairs, a meeting of which I attended today. I also sat on the Finance Committee this morning, and in fact I did not sit on the other committee at all.

• (8:40 p.m.)

Mr. Horner: Mr. Speaker, on that very point of order I say—

Mr. Deputy Speaker: Order, please. As I said before, I think we are entering into a debate. There seems to be a consensus that each hon. member has 15 minutes. Since there are a number of hon. members who wish to speak, I now recognize the hon. member for Shefford.

Mr. Horner: On a point of order, Mr. Speaker, I wish to point out that I have before me the latest *Hansard* available, for Wednesday, March 4. The hon. member's name is not shown on the Health and Welfare Committee and it is not on the Finance Committee. I am not denying for one minute that he sat on those committees, but as far as the record goes he did not participate in them. I can only assume he must have had the consent of his party in order to participate as a full, voting member. But according to the record, which is the only thing I can go by, he was not participating in those committees today as a full, voting member.

Mr. Danforth: So there!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I will wait until order is restored so as to be heard. I am pleased to be able to express my views on the motion presented by the Leader of the Opposition (Mr. Stanfield), motion that is being discussed in the House today and deals with the government's policy of secrecy and non-disclosure of information they owe first to the House and secondly to the Canadian people.

We have noticed for a certain time that many ministers are absent from the House. Such absences may be motivated but it seems that the ministers of the most important departments are mainly the ones who are not in the house. In fact, I have not been able during the last four days to direct a question to the Minister of Justice (Mr. Turner) because he was not in the House. I think that since this roster system was established, the order of attendance has not been respected. I suggest the ministers have been too often absent from the House during the last few days.

When the ministers are in the House, especially following a federal election, they give us fairly good answers, for they work zealously, as I have noticed since 1968. However, for the last six months, sound and valid replies are getting ever scarce and we can rightly complain about the information we have received to date.

For instance, when we ask questions about the C.B.C., the Secretary of State (Mr. Pelletier) takes pleasure in saying that it is a crown corporation and that he does not want to interfere in its business. Yet, we know full well that the C.B.C., even taking into account the services it gives, spends ten times what a private concern would spend. In fact, the C.B.C. spends money extravagantly; this would not be tolerated by the most spendthrift, the richest private enterprise. Yet, the minister responsible for it has never brought up any of those problems.

It must surely come to this, as it did in the case of the Company of Young Canadians: some public man, such as the mayor of Montreal, or the chairman of the executive council of that city, or someone else who has nothing to do with federal politics, will levy serious charges against the C.B.C. or the federal government, based on information obtained from its police force or other sources of information. But, if damning evidence is produced, as in the case of the C.Y.C., the government may deem it advisable to take the necessary steps to hide the problem, to work its way around is, so that the accusers might not be proved right.

We notice that information is not given first in the House. In fact, we often get it from sources other than the legitimate one, that is the House of Commons.

I should also like to say a word about the committees. There is some talk about democracy in the committees, but the government in office as well as the other parties, would have a hard time convincing the government members to attend the sittings of the committees. Why? Because, in spite of the fine promises made by our Prime Minister (Mr. Trudeau) advocating democracy, the members cannot play their part as representatives of the people because no information is available to them.

The government makes use of its majority to eliminate witnesses, as it happened with regard to certain suggestions which I had made. At the time my witnesses were not allowed to appear because the government was afraid of them. In that instance, the majority was used to conceal as much information as possible and which is worse, on two occasions, committees adopted a report which the government refused to accept later on.

There is an increasing tendency to conceal facts, figures, in short everything. I would not want us some day to become totally useless in the House and in the committees. That is why I thought it advisable to say a few words on the motion moved by the Leader of the Opposition.

Every time Parliament has been faced with a problem, instead of asking hon. members to study it in detail, to undertake research in order to solve it, the government has deemed necessary to appoint royal commissions. In so doing, several problems have been removed from the authority of Parliament and their solution further delayed.

• (8:50 p.m.)

On July 17, 1969, the hon. member for Kamouraska (Mr. Dionne), put on the order paper question No. 2685 which read as follows:

1. How many study or investigating boards and commissions were appointed by the Canadian government since 1950?

2. (a) What was the cost of each such commission?

(b) What were these commissions and what were the names of the members of each?

The answer was as follows:

As for the cabinet of the Prime Minister and the office of the Privy Council—

—it concerns two ministers only, the Prime Minister and the President of the Privy Council—

—the answer is as follows:

1. 50 royal commissions and 3 task forces.

The setting up of each of these commissions has cost the Canadian people millions of dollars since 1950. What happened to the information collected by these royal commissions and presented to Parliament in the form of recommendations? Apparently, not even 5 per cent of them were ever implemented.

We kept on the old tracks just as if those commissions had not been set up. It seems that they were used mainly to reward the commissioners. They were on very friendly terms with the party and were paid handsomely. That was the only tangible result.

Mr. Speaker, what I think is strange and has been especially so for some time, is the fact that the government, in order to inform the public, builds a political smoke screen,

dreams up political information and generates invisible enemies.

After the 1968 election, the federal government undertook a fight against poverty. What solutions did it bring in to solve the problems of poverty in Canada? Let us ask the businessmen, especially since they got to know the white paper. Nothing was done. However, the people were told that we were preparing to fight poverty. Recently, we undertook a fight against inflation.

The Canadian people is provided with illusions and false information.

The federal government claims that it will solve the problems of poverty and of inflation.

It indulges in a witch hunt because he cannot solve either of these problems. Instead of attacking the real enemies of our economic system, it creates enemies for himself. It cannot act otherwise because our economic system is perverted. Instead of doing something to change the system, it strikes at its results, it misinforms the Canadian people, feeds them with illusions and gives them false hopes.

The Prime Minister said in the House, on Tuesday, February 10, 1970, about the establishment of Information Canada, as reported in *Hansard* at page 3406, and I quote:

> The organization will be divided into four branches: one for planning and research; one to produce and distribute information; one to gather and publish information on the views of the public; and an administrative branch.

When we see the government acting this way, we conclude that such information will serve at the very most to sell a policy which the Canadian people refuse to accept. In fact, the people have lost their illusions, because they have realized in the past two years that the government's promises have not been kept.

Mr. Speaker, Information Canada will be no more than a refuge for some members who will be defeated in the next election, so that they may continue to promote the policy of the Liberal party.

We know the kind of information that the government makes known. One only has to examine the government's publicity budget for last year, which was published today, to know that the government does not hesitate to spend for the purpose of boosting its own image.

Information Canada should exist right here within Parliament. There is no need to set up structures or new agencies, to hire thousands of employees, to spend millions of dollars, in order to inform the Canadian people. It would only be necessary to ask the Canadian Broadcasting Corporation to be more objective in its coverage of political events rather than welcoming petty politicians brought in by friends.

That would be the best way of ensuring Canadians a good information service, as long as its structures are established outside Parliament. How are we to assure the Canadian people of objective information, if it is to undergo the censorship of the party in power. How will the Canadian people be made aware of the activities of the members of Parliament, or of the proceedings and decisions of committees, if they have to rely on whatever information the government in office is willing to pass on to them through a body wholly set up by this government who will use it for its own purposes.

[*English*]

Mr. Ambrose Hubert Peddle (Grand-Falls-White Bay-Labrador): Mr. Speaker, I am glad the temper of the House has cooled a little in the last 20 minutes and that we no longer have the heat that was generated when the hon. member for York East (Mr. Otto) spoke. I was absolutely amazed by the hon. gentleman's metamorphosis, by his transformation, his conversion which, as one hon. member said, almost equals the conversion of Paul on the road to Damascus.

The constituencies of York East and York West are represented here by hon. members who fascinate me. There is the hon. member for York East, who spoke a few minutes ago, and the hon. member for York West (Mr. Givens), who at one time was mayor of Toronto. We all know what the hon. member for York West said outside the House some time ago. He roars like a lion in front of the television cameras and newspaper reporters outside the House, but in the Chamber he bleats like a lamb.

Mr. Baldwin: Or squeaks like a mouse.

Mr. Peddle: To the press he said this House spends most of its time discussing wet wheat, baby seals and the Newfie Bullet. What utter garbage! The people who talk about wet wheat represent those concerned about wet wheat; those who talk about baby seals represent people concerned about baby seals, and those who talk about the abandonment of the so-called Newfie Bullet are members who represent those concerned about its abandonment.

Some hon. Members: Hear, hear!

Mr. Peddle: If the hon. member for York West wanted to perform his duties properly, he should have talked about urban problems in this House.

Some hon. Members: Hear, hear!

Mr. Peddle: And he should not have uttered the kind of drivel that sometimes has great appeal to the press. The hon. member for York East has said that things changed during the past year. I agree with that. They have become worse and are getting worse every day. I see no improvement in the committees system. I do not know if the hon. member is to be promoted to the Senate, but something has happened to make him change his mind. Certainly, if he displays such great inconsistency he will not be elected any more. A few months ago he blasted the committees system, but now everything is suddenly much better. I submit that everything is much worse. Now the hon. member is the great defender of committees; everything is fine now. Something is wrong somewhere. It might be, as I have said, that the hon. gentleman is contemplating a Senate appointment, or his discomfiture may have been lessened by the prospect of an assured salary increase.

• (9:00 p.m.)

The hon. member referred to regional desks. He said they were designed for and served the purpose of helping members. I do not know what members he is referring to. I have no idea what a regional desk looks like. I do not have any idea who occupies the regional desks. They are as far removed from members on this side of the House as some of the systems in Washington: we do not have any more access to them. The hon. member remarked that he was not satisfied with the way things are going. I understand there have been a number of innovations in his party. Caucus meetings are now held once every two weeks. If you want to say a word in caucus, you have to give advance notice and state what you want to discuss. Someone then tells you whether you will be permitted to do so. That is a change, although I do not call it a change for the better.

I raised a question of privilege in this House today which was dealt with by Your Honour. The very smooth Minister of Transport (Mr. Jamieson) is building up a reputation in Canada of being a very urbane, suave and smooth operator.

An hon. Member: Slippery.

Government Administration

Mr. Peddle: The actions of the minister in the past few days have certainly not been smart. I have been outsmarted many times. I do not object to that. But it is not a matter of being outsmarted; it is that of a minister of the Crown making use of his office to give out information before it is made available to the House. The Minister of Transport took it upon himself, in order to further his political ambitions, to make this information available in the province of Newfoundland four hours before it was available to this House.

Some hon. Members: Shame!

Mr. Peddle: I was elected a Member of Parliament and am not embarrassed by such a situation: that is not what bothers me. I want to feel that I am earning my salary. The people who elected me in effect help to pay my salary. I try to do my job. When a member is made to feel impotent by a member of the inner circle of this government, it does not appear too good for the future of this institution. If it continues, I do not mind saying that I will give very serious consideration to whether I want to continue as a member of this institution. I do not want to be here as a figurehead. Members of Parliament have certain responsibilities and the majority accept them. I do not think they should be interfered with by a minister or anyone else. If the Minister of Transport wants to further his political image in Newfoundland, let him go back and enter provincial politics. God knows, there is a big enough vacancy there now. That is where his talents could be put to use.

There are a number of instances of our being treated in a cavalier manner. I am not whining, Mr. Speaker. On April 30, 1969, as recorded at page 1868 of *Hansard,* I directed a question to the Acting Minister of Transport. I asked him to report on a serious CN bus accident in Newfoundland in which nine people were injured. The bus was completely destroyed. The acting minister said, "I will be pleased to investigate and let you know." That was in the days when that department and its minister were on the move. Within a few weeks the present minister was appointed to that portfolio. On May 20, a month later, I asked the minister if he would investigate that accident, and he said he would be glad to investigate it. I am still waiting for a reply, Mr. Speaker. That is just one example; there are many, many more.

The Minister of Transport, despite the image he is building, is turning out to be one of the greatest procrastinators we have seen

in quite a while. He says, "I will be glad to look into it." Everybody is glad to look into it. I would be glad to get the answer.

Some hon. Members: Hear, hear!

Mr. Peddle: Recently there was a mammoth re-organization of the minister's department. There was a hastily-called meeting of the Transport Committee with less than one hour's notice. We were told, "Come on down; the minister has some disclosures to make." I had no idea what the minister was going to talk about. The fact is that he called us together to take care of the niceties. He then felt everything was fine and gave the whole story to the press. I suggest that with a matter of this importance and the far reaching changes proposed, the minister did not clear himself by calling a hasty meeting of whatever members happened to be around. The chairman was out of town and many other members could not be reached.

It is for reasons such as this that our motion is being discussed. The House condemns the treatment we are receiving at the hands of this government. The government talks about the opposition whining. One would almost think we were supposed to be a cheering section for this government, but we are not —we are the opposition. Surely the government knows it is not our function to cheer them. Our function is to oppose them. God knows, there are enough government members to cheer when they are told.

I would like to see the hon. member for York East now. He is probably busy signing letters answering complaints about the government and its white paper proposals. I would like to see the hon. member justify the position he has taken tonight as compared with the position he took less than a year ago outside this House. It is the old, lion and lamb routine. Maybe he is in fact going to the Senate and is not worried about being re-elected. That is what we have to assume. There are times when I get so disgusted at the role of a Member of Parliament under this administration that I do not know what to think.

Some hon. Members: Hear, hear!

Mr. Peddle: There has been a lot of talk about committees. As far as I can see, all that is accomplished in committees is the government succeeding in fragmenting the members. Members cannot attend all committee meetings. Sometimes there are a half-dozen committees sitting simultaneously. This not only fragments the members but it fragments the press coverage, because members of the press cannot attend all the meetings simultaneously.

What about Information Canada? I say it is part of a system to see that Canada gets as little information as possible. The Information Canada program, which is just around the corner, is really going to be a beauty. It should be called Misinformation Canada.

Mr. McGrath: They don't need Information Canada; they have the Minister of Transport.

Mr. Peddle: We were sold a bill of goods in 1968 when this government was elected. I do not think the time is too far away when Canadians will start having second thoughts. I hope that time is not too far away. I will support the motion before the House. I am sure if the members who are present, and some who are not, were allowed to vote according to their conscience and what they know to be facts, they would also support the motion.

• (9:10 p.m.)

Mr. J. A. Jerome (Sudbury): Mr. Speaker, it is usually a privilege to be involved in any of the debates which occur in this chamber. One looks forward to seeing a spark of life from time to time on the opposition benches, so we patiently await an opposition day to examine the subject matter which the opposition itself, as so often happens, has an opportunity to choose for discussion. Today, for a change, we are not talking about grain; we are talking about the proceedings of this House.

An hon. Member: You don't like the farmers, then.

Mr. Jerome: I notice that as soon as I begin to make a few disparaging remarks in connection with debates in this Chamber on the subject of grain there is a nervous reaction on the part of members on the opposition benches, because grain seems to be the only thing they know about.

An hon. Member: We know corn when we hear it.

Mr. Jerome: You certainly know it well enough to have dished it out here all day, by the bushel; it is all we have been hearing since this debate began. What puzzles me about the subject matter of this motion, if we can understand its terms, assuming it is intended as a general criticism of the way in

which the government is conducting itself in relation to the running of parliamentary business, is that the opposition should have chosen to devote their time to it. I say this as a new member of the House, because I had the privilege of being a member of the Special Committee on Procedure set up to recommend changes in the rules of this House.

An hon. Member: That's what is wrong.

Mr. Jerome: In this committee, whose membership included frontbench representatives of the opposition, we held what I thought were productive meetings to determine some of the changes which we thought would improve and expedite the conduct of the public's business in this Chamber. After three months had been spent on this work, a debate was begun just before Christmas on proposed rule 16A, as it was called—the rule allocating time in this House. As we all know, the opposition then employed a tactic which they use so well, that of digging in their heels and resisting any change in the rules. That is fine. It suited their political advantage to go to the press and say, "We are resisting these changes because the government is attempting to push a steamroller over us and muzzle us in the House of Commons."

Some hon. Members: Hear, hear!

Mr. Jerome: Here, again, the cages are being rattled opposite. What seemed to escape them at the time, and it still does, is the fact that opposition members already take up the majority of the time in this House in speaking—

Mr. MacInnis: Yes. You are not allowed to do so.

Mr. Jerome: What is not apparent to members opposite is that under a time allocation rule the time they take up speaking in the House of Commons will not be reduced. Members of the opposition who every once in a while begin to shout, rattle the tops of their desks and pound, will be speaking for the same length of time as they are now, taking up 65 per cent of the time of the House. The only difference is this: in the same parliamentary year they will have to address themselves to a variety of subjects; they will not be able to enjoy the comfort of spending half their time talking about damp grain, as they do now, a subject on which they all seem to be expert. They will have to consider a number of pieces of legislation, components of a full, dynamic, interesting and intelligent government program.

This seems just too much for them to tackle in the course of an ordinary government year. What do they say? Their theme is: We are the sacred opposition and we defend to the death our right to grind this place down to a slow pace sufficient that we can stand the action. This is their achievement. This was the position they took in the debate over two weeks at Christmas time and during six other long weeks at the end of the session before the summer recess. There is no reason they should not continue to behave like this for the rest of their parliamentary lives.

Today there is a gleam of hope, because we see before us on an opposition day a subject which has to do with the conduct of Parliament. Now we shall have an example of the positive view of hon. members opposite who have arranged for this subject to be debated in order to put forward their ideas before subjecting the government to a vote of confidence on the basis of their contributions. So we know that today we are getting their very best thinking on the subject; we can examine *Hansard* tomorrow and read it carefully line after line in case we have missed some of the pearls of wisdom they have dropped today. *Hansard* will stand as a record for all time of the powerful, dynamic suggestions for improvement in accordance with the programs of the parties opposite. Their best talents will set forth their theories and tell us exactly how Parliament should be run.

Well, Mr. Speaker, I say to you right now that without having had the opportunity to read any of the *Hansard* reporters' notes I shall not be holding my breath until tomorrow, because I have been in the chamber during the debate today and I have not heard one single worth-while suggestion from the other side. And I challenge any of them right now to come up with a single proposal which was put forward today for the improvement of the running of this House.

Mr. MacInnis: Mr. Speaker—

Mr. Speaker: Order. The hon. member has issued a challenge and an hon. member rises to respond, but the rules will not allow him to accept the challenge at this time.

Mr. MacInnis: On a question of privilege, Mr. Speaker, surely when a supporter of the government issues a challenge of that kind he should give up some of his own time in order that the challenge may be accepted.

Mr. Speaker: I am afraid the rules do not allow for that.

Mr. Jerome: My point is that during all these hours the party opposite has had time in which to put forward suggestions.

Mr. Greene: They have not had an idea since Diefenbaker.

An hon. Member: Who is a windbag now?

Mr. Speaker: Order, please. The hon. member for Sudbury (Mr. Jerome) has the floor. I suggest he be given the opportunity to try to make a speech.

An hon. Member: He is trying.

Mr. Knowles (Winnipeg North Centre): Try harder.

Mr. Jerome: Before we leave the subject there are one or two interesting observations I should like to make about the advantage which members opposite take of the way the House is run at the present time. Perhaps the hon. member opposite who was recently on his feet would be interested to know, for example, that in one of the standing committees of the House—and in our committees it seems to be generally accepted that there is good opportunity for opposition members to participate in a meaningful way in criticizing the government—it was suggested by the opposition members present at the organizational meeting at the beginning of the year that the election of the chairman and vice-chairman should not be restricted to government party members, but that other parties in the House should be represented. Accordingly, an opposition member was put forward as vice-chairman of one of the standing committees. However, following this decision the attendance of opposition members at the meetings of that committee fell to just about nil.

• (9:20 p.m.)

As if that were not enough, about three weeks ago the same committee met in order to make certain decisions relative to a report that was to be made to this House. I am not passing on information given me by somebody else; I am speaking from my own experience as a member of that committee. I will not specify the names of the delinquent members because it would embarrass them, but they could be named. However, there is a principle involved here. The committee was staffed with a sufficient number of government members to reach the decisions necessary for the report, but after waiting for half an hour the committee had to disband because no opposition members from any party showed up.

Some hon. Members: Oh, oh!

Mr. Jerome: If the hon. member from Cape Breton wants to get to his feet and ask me for details, I would love to give them to him. However, I do not see him on his feet.

Mr. MacInnis: Surely, Mr. Speaker, since the hon. member has asked me to get to my feet for the second time, you will permit the question to be put?

Mr. Speaker: Order, please.

Mr. Baldwin: Would the hon. member permit me to accept his challenge?

Mr. Jerome: Delighted.

Mr. Baldwin: Just briefly, for one minute.

Mr. Speaker: Order, please. There has to be order in the House. The hon. member is introducing a novel concept in a debate in the House of Commons in suggesting that an hon. member who has the floor may yield to another member for a certain period of time and then regain the floor. I am afraid our practice does not allow that. The hon. member can accept a question, but he cannot say he will yield the floor for a certain period to allow a challenge to be taken up. I suggest the hon. member be allowed to make his speech.

Mr. Jerome: Mr. Speaker, I have one or two comments to make and then I will be delighted to receive a question from the opposition House leader. I notice, tragically enough, that although he participated in the special committee that dealt with changes to the rules and contributed many times in a very vigorous way, so far today the hon. member has not seen fit to take part in the debate.

Mr. Baldwin: Then I will now. Will the hon. member accept a question?

Mr. Jerome: As soon as I am finished, I will, if that is permissible, Mr. Speaker.

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. The hon. member for Cape Breton-East Richmond (Mr. MacInnis) is rising on a question of privilege.

Mr. MacInnis: I rise on a question of privilege. The hon. member has cast reflections on the operations of this House, and therefore is

casting a reflection on the Chair. Furthermore, I suggest no member should be permitted to use his time to challenge opposition members and then not accept the challenge when it is taken up.

Some hon. Members: Hear, hear!

Mr. Jerome: Mr. Speaker, I was only curious to know whether any of the opposition members were ready to get to their feet so I could give them the details of which I speak.

Mr. Baldwin: I am.

Mr. Jerome: If any hon. member wants the information, I shall be happy to provide it in a minute. There is one closing observation that should be made, Mr. Speaker, in connection with the way of the House operates. At the present time, out of around 155 to 160 days in the parliamentary calendar, about 40—certainly 25 per cent of the time—are designated as days on which the opposition either control entirely the subject matter of the debate, or are at liberty to discuss as freely as they wish any subject in connection with which they may wish to criticize the government. I refer to the number of days allotted to the opposition on which they control the subject matter of the debate; to the budget debate; and also to the Throne Speech debate in which opposition members participate fully, criticizing the government on a whole range of subjects.

In addition, there is provision for setting aside time for emergency debates, which is always an opposition prerogative. On top of that, there is the time occupied by the opposition during private members' hour. The opposition is also on its feet for about 95 per cent of the time allotted to the question period. Then, of course, there is the system under which time in any given debate is allotted. As we know, there is always a desire in any given debate to recognize opposition members and consequently there is more participation by opposition members than by members on the government side. Accordingly, as a matter of simple mathematics, the time taken by opposition members in directing themselves to the subjects being considered is perhaps double the time taken by government members.

Mr. Speaker: Order, please. The hon. member's time has expired. The hon. member for Moose Jaw (Mr. Skoberg).

Mr. Muir (Cape Breton-The Sydneys): I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order. Would the hon. member kindly resume his seat. I should mention to the House that it has been agreed that the last few minutes might be divided between the hon. member for Moose Jaw and the hon. member for Dartmouth-Halifax East (Mr. Forrestall). Since each member will have but a short time, I hope not too much time will be taken with points of order.

Mr. Jerome: Mr. Speaker, on a point of order, I want to make it clear that I said that at the end of my speech, which is now, I would be perfectly prepared to answer questions, and I stick by what I said.

Mr. Hees: Yes, on somebody else's time.

Mr. Speaker: Order, please. The hon. member for Cape Breton-The Sydneys (Mr. Muir) has the floor on a point of order.

Mr. Muir (Cape Breton-The Sydneys): The two members Your Honour referred to are most intelligent, and I shall not take much of their time. The only thing I was going to suggest was that since the previous speaker has said nothing so far, the House give him unanimous consent to continue for another 20 minutes.

Some hon. Members: Agreed.

Mr. Speaker: Order. The hon. member for Moose Jaw.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, all we have heard today from government members is a defence of a weak government, which weakness has, I am sure, been well exemplified today. When people ask us what kind of government that party over there has, I suggest that we can only reply that it is a mythology government, which means a government on the borderline of philosophy and science. Today we have a straight case of all philosophy and no realism on the part of hon. members opposite.

I suggest that when the hon. member opposite talks about the way members of the opposition deal with issues that are critical to the nation at the present time—I refer to agriculture—he fails to realize that over 50 per cent of the people of this country are, directly or indirectly, connected with agriculture; and when these people become unemployed, the responsibility falls on his shoulders and the government's.

We also heard the President of the Privy Council (Mr. Macdonald) stand in his place

and criticize the members of the New Democratic Party for the number of Notices of Motions for the Production of Papers that they have on the Order Paper at the present time. The hon. member for York East (Mr. Otto), as well, unfortunately, as one of the members of the official opposition, criticized our demand that these Notices of Motions for the Production of Papers be passed so that the information is made public and all concerned can find out what is going on.

We are also criticized for taking the time of the House. I suggest this situation is an idiotic one, since there is much talk about having an effective opposition in Parliament. In view of the pittance given opposition members to conduct research, how can there possibly be an effective opposition? That is why we must ask for these papers. It utterly amazes me to hear government members stand in their places and ask why we want these returns. Even the Minister of Agriculture (Mr. Olson), in one of the debates on a Notice of Motion for the Production of Papers, was very concerned at the number of sheets of paper that would have to be produced if the motion were granted.

• (9:30 p.m.)

I am sure everyone knows they make up copies only for the people who are interested. To add insult to injury, they came up with microfilm a short time ago. After we asked, the minister assured me—as recorded in *Hansard* for February 5—that these 19 consultant's reports would be available to me and I could see them in his office. I wrote the minister a letter dated February 19 asking whether he could advise me if I could see the 19 consultant's studies referred to in my Notice of Motion for the Production of Papers. I said in my letter:

> Of course, I am certain you realize that it would be impossible to spend the time required to pursue these studies in a short period of time. In view of this, would it be possible for me to borrow these reports for a limited time to be studied in my office or residence? At the same time I would appreciate knowing if the contents of such studies are to be treated confidentially or am I at liberty to treat the contents as public information?

Finally, on February 23 I received a letter from the executive assistant saying:

> —your request will be brought to the minister's early attention.

Is this what we call divulging the information the public of Canada must have? I suggest the motion introduced by the official opposition is quite in order. If any member cannot understand the motion, there is something very wrong so far as his intelligence is concerned.

Some hon. Members: Hear, hear!

Mr. Skoberg: Mr. Speaker, we are talking about research people being assigned to various parties. How can any member of this House undertake the type of research we need when we do not have research people who are provided with the material needed for such research? At the same time, how can the press of this nation possibly report to the people unless it, too, has access to these papers?

Another short comment, in view of the agreement we have made, is that it is absolutely impossible under present circumstances for members who have small offices and one secretary to undertake the type of research and study necessary to form an effective opposition or to be an efficient member of the House. I offer this as constructive criticism to the President of the Privy Council and suggest that something be done to provide each member with an office of his own. This must be done if we expect to have an effective opposition and effective backbenchers on either side of the House.

When the President of the Privy Council was speaking this afternoon he said that sometimes questions we place on the Order Paper have already been answered. I thought the effective way of operating in this House of Commons was for reasonable people to deal with reasonable people. Unfortunately, the President of the Privy Council does not seem to fit into that category.

Some hon. Members: Hear, hear!

Mr. Skoberg: A short time ago the Parliamentary Secretary to the Minister of Labour did not hesitate to tell me that they apologized for any misunderstanding created by the rather broad interpretation taken of a question. Everybody can make mistakes, Mr. Speaker. All I am asking is that this government realize the position of an opposition which makes the backbone of a good, democratic society. If the government is in fact trying to tell the opposition this will not be the case, of course all we have is a complete breakdown of democracy and an autocratic, dictatorial and arrogant system which means that Members of Parliament will not be able

to participate in making sure that we retain democracy in this country.

Some hon. Members: Hear, hear!

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I acknowledge my debt to you and the previous speaker for the opportunity of making one or two very brief observations in this debate. It would have been interesting to spend the remaining seven or eight minutes dealing with some of the comments of the last two speakers. Suffice it to say that it is interesting to recall the time spent in this House by the government in forcing upon this nation an iniquitous amendment under the Excise Tax Act dealing with enabling legislation to tax airline tickets, only to have the government a few weeks later crawling back into the House and saying, "After all, fellows, we do not want to do anything about this until next year." Therefore, it means nothing to me to hear people talking about time being wasted in this House.

I want to speak for a minute or two about the type of situation that is evolving and the trend that is developing in this House as it has a direct effect upon the people. I have in mind the people of Canada who sent us here. Apropos of that, it is not necessarily to the backbenchers that we are speaking. They understand what we are saying. We are speaking to the Prime Minister (Mr. Trudeau) of this country, and he had better listen because the rest of the people of the country have been listening to us and are becoming very concerned.

The point I want to raise in the few minutes I have available to me is the very undesirable consequence of the government keeping unto itself bits and pieces of information that are vital if our economy and our people are not to suffer adversely from policy decisions made from time to time by the government. As much as two years ago I began asking questions in this House, along with my colleagues, about the economic impact of base consolidation and reductions in defence spending as a direct result of government policy. On every occasion these questions were asked there came back assurances from the Prime Minister and the Minister of National Defence (Mr. Cadieux) that no precipitate action would be taken without prior consultation and discussion with the economic units involved—the provinces, cities and towns.

What do we have? Without reading them, but going back to July 18, 1969, one can find comments at page 11341, July 24 at page 11537, and as recently as December 8 at page 11697 of *Hansard*. Let me quote one brief comment. I am not taking it completely out of context, but slightly, without changing the essence of what the Minister of National Defence had to say. He said that so far the intent is that there shall not be any further change in the situation in the Maritime provinces. The minister was responding to questions not only from myself but other hon. members in this Chamber about the economic impact of changes in defence policy.

What do we have as a result of this wide open policy of communication with the civic units involved? What do we have as a result of the policy intention of the government and the direct pragmatic and practical procedures and steps to be followed? We have seen within the last three months the closing of Fairey Aviation without prior consultation; we saw the closing last night of EMI Cosser in Dartmouth without prior consultation; and we have heard rumoured very seriously this week that the Dockyards Trade and Labour Council in Halifax, as a result of the intention of the government, is to start reducing staff by laying off several hundred civilian employees.

If it is necessary to do these things, it is incumbent upon the government to go to the economic units involved and tell them its reasons. If the government will not tell us here in the House of Commons what is going on, at least it should go to the economic unit that is most directly affected, that is to say, the city, the village, the town or the province. The government should talk to the civic and community leaders in those places telling them well in advance what it intends to do. But it has not done that, and it has no intention of doing that. This has been made patently clear.

The tendency to withhold information is leaving, not only the members of the opposition but I am sure many, many backbenchers with a feeling of frustration. Something serious is happening: people are being left with the impression that they can no longer believe what they are being told by the treasury benches of this government. It may well be that the treasury benches of this government are not advised by the Prime Minister of his intentions. I suspect that in no small measure that is the reason for the situation. He advises them in many cases in his office or through the medium of the press.

Government Administration

• (9:40 p.m.)

One member of the treasury benches employs a student to read the newspapers and tell him what his colleagues and the goverment are doing. Is that any way to run the government of this country? If I were that member, I would have long since resigned. I shall come back to one of my serious fears about the tendency to withhold or hide information. We have suspicions in respect of the actions of the government, for instance, under the austerity program. Indeed, a year or so ago we were told by the Minister of National Defence and others that there would have to be extensive lay-offs of civilian employees in the Department of National Defence, probably as many as 5,000.

I say to you, Mr. Speaker, that not only in the case of these civilian employees but in all matters directly affecting individuals who have wives and families and who live under a threat, belief or understanding that at some point in the future somebody may—not positively will—say to them, "I am sorry; you are no longer required", it is incumbent upon the government to stand up, accept its responsibility and go not only to this Chamber—we are prepared to accept being placed in the background—but to the civic bodies affected, the towns and cities, and lay bare their plans.

Mr. Speaker, I support this motion. The hon. gentleman from Halifax proposed it in all seriousness; it was not put forward lightly. This matter was raised in our caucus which happens to meet in a forum of free expression, unrestricted and unfettered. The motion has been put forward seriously and I suggest to the government and its backbenchers that they indeed take it seriously.

Mr. Speaker: It being 9.45 o'clock p.m., it is my duty, pursuant to section 9 of Standing Order 58, to interrupt these proceedings and forthwith put every question necessary to dispose of the motion now before the House. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

[Mr. Forrestall.]

The House divided on the motion (Mr. Stanfield) which was negatived on the following division:

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Barnett
Bell
Benjamin
Bigg
Broadbent
Burton
Cadieu (Meadow Lake)
Carter
Code
Comeau
Crouse
Danforth
Dinsdale
Dionne
Dumont
Forrestall
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lewis
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Mather
Mazankowski
Monteith
Moore
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Nowlan
Orlikow
Paproski
Peddle
Peters
Ritchie
Rodrigue
Rondeau
Saltsman
Schumacher
Scott
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams—71.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Breau
Brown
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
Douglas (Assiniboia)
Drury
Duquet
Émard
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Greene
Groos
Guay (St. Boniface)
Guilbault

Division

Haidasz
Honey
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McBride
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
Murphy
Noël
O'Connell
Olson
Osler
Otto
Ouellet
Penner
Pepin
Perrault
Pilon
Portelance
Reid
Richard
Richardson
Roberts
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve)
Tolmie
Trudel
Wahn
Watson
Weatherhead
Whelan
Whicher
Whiting—110.

Mr. Speaker: I declare the motion lost.

At 10.12 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, March 6, 1970

The House met at 11 a.m.

ROUTINE PROCEEDINGS

TREASURY BOARD

APPOINTMENT OF MEMBER FOR DAVENPORT AS PARLIAMENTARY SECRETARY TO MINISTER

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on behalf of the Prime Minister I wish to announce that in view of the increasingly heavy responsibilities of the President of the Treasury Board, the hon. member for Davenport has been appointed Parliamentary Secretary to the President of the Treasury Board, effective today.

Some hon. Members: Hear, hear.

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (President of the Privy Council): I should like to make a suggestion with regard to the business today, Mr. Speaker. As the House will recall, I called as business for today government order 67 and government order 76. From inquiries I have made, I gather there is some prospect that if the debates took their usual course they might well be disposed of by one o'clock today.

Hon. members will have noted that there is a motion on the Order Paper in the name of the hon. member for Grand Falls-White Bay-Labrador, and I suggest the House might make an order along the following lines: that the House proceed with other routine proceedings and the question period now, that the two government orders announced for today be considered and dealt with by one o'clock today, and that the House should then move to consider the motion in the name of the hon. member for Grand Falls-White Bay-Labrador.

On this basis the business called for today could be dealt with, the House could have a question period and the hon. member for Grand Falls-White Bay-Labrador along with his hon. friends from Newfoundland, including the Minister of Transport, would have an opportunity to deal with the question of Labrador transportation.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, when the President of the Privy Council makes a suggestion we always stand back and examine it with great care. We are prepared to be very accommodating. On the instructions of my leader I suggest we proceed with the question period in the normal way and that the order in the name of my hon. friend should then be called.

I agree with the Leader of the House to this extent, that the two items of business called for today could probably be dealt with, and receive the proper examination, within an hour. But it is our view, and the view of the mover of the motion, that his motion should at least be the subject of a reasonable amount of discussion in the House. We therefore make the following proposal: that after the question period we should proceed with the motion, and that at three o'clock the debate would be concluded and a vote taken. We do not suggest the government has to accept this motion, but having regard to the great statements which were made yesterday about the right of this House to express its views, we feel we should have the right to express an opinion on the motion. It seems to me this is a very reasonable request to make, and I am sure that having heard it the President of the Privy Council will be bound to accept it.

Mr. Macdonald (Rosedale): The hon. member did not make it clear that the order would also include the putting of all questions necessary to dispose of the two items under government orders by four o'clock—in other words, that we should make a special order that the business previously called for today be dealt with in all its stages between three and four o'clock.

Mr. Baldwin: Following the vote on the transport question.

Mr. Macdonald (Rosedale): The hon. member indicates he and his friends will insist on a vote on the motion. Do he and his colleagues intend to vote against it? I gather there is no disposition on this side to vote against it.

An hon. Member: We shall see.

• (11:10 a.m.)

Mr. Macdonald (Rosedale): Perhaps we could make an order, then, on the following lines: that the motion outstanding in the name of the hon. member for Grand Falls-White Bay-Labrador not be considered under motions but that it be considered as the first item of business under government orders; that the question period proceed, the House having dealt with the motion standing in the name of my colleague the hon. member for Gatineau; that at three o'clock, or at such earlier time as the House may have finished dealing with the motion standing in the name of the hon. member for Grand Falls-White Bay-Labrador, the debate be interrupted for the purpose of putting the question on that particular motion; and that the House would then proceed to the two items called for today and all questions necessary to dispose of those two items would be put to the House by four o'clock.

If the House is generally agreeable, we could agree to an order in those terms.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have been on the periphery of these discussions, but the points that have been arrived at seem to be sensible. I take it that as a result we will have the question period, the government will get its two orders through and we will have a debate on the motion of the hon. member for Grand Falls-White Bay-Labrador. The one little problem I see is how to divide the time from three to four o'clock between the two government bills.

Mr. Lewis: Three-twenty and four.

Mr. Knowles (Winnipeg North Centre): Yes, after the vote. Could there not be some understanding that at that point we would split whatever time there is remaining between the agricultural item and the radiation item?

Mr. Macdonald (Rosedale): Mr. Speaker, it was that consideration that motivated me to suggest that we deal with those items first and then, after they have been justly dealt with, go on with the transport committee report. However, I am prepared to accept whatever hon. members regard as an equitable division of time between the two items so long as all questions are disposed of by four o'clock.

[Mr. Macdonald (Rosedale).]

Mr. Baldwin: Mr. Speaker, I think we might discuss the last aspect and work something out. There may be fewer speech-emitting members by 3.20 and we can conclude the matter.

Mr. Speaker: Hon. members have heard the proposal advanced by the President of the Privy Council, after open discussions with the other House leaders. Is it so ordered?

Some hon. Members: Agreed.

METROPOLITAN TORONTO HARBOUR COMMISSIONERS BILL

EXTENSION OF REPRESENTATION ON COMMISSION

Mr. Hyl Chappell (Peel South) moved for leave to introduce Bill C-195, respecting the port of Toronto.

Some hon. Members: Explain.

Mr. Chappell: Mr. Speaker, at present only the city of Toronto and the federal government are represented on the Toronto Harbour Commission. This bill proposes that the province of Ontario and Metropolitan Toronto be also represented. If that happened, there would then be four levels of government forming the commission. I believe that if that were the case it would overcome the jurisdictional snarl and the commissioners could get on with their plans for a new harbour, including an inter-city airport in the harbour area.

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

ORAL QUESTION PERIOD

TAXATION

WHITE PAPER ON REFORM—SUPPLEMENTARY DOCUMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question about the supplementary paper in connection with the white paper on taxation that the minister said on Wednesday he had approved and was sending to the chairman of the appropriate committee of the House. Would the minister tell the House precisely when he will be sending this document? I ask him this in view of the obvious interest of the House and the country in knowing the contents of this document.

Hon. E. J. Benson (Minister of Finance): I would think on Monday, Mr. Speaker. It is being translated and I would think it will be mailed on Monday. I have approved it for mailing but the letters of transmittal have not come back.

Mr. Stanfield: Mr. Speaker, would the minister assure the House that he will not use the ordinary mail to transmit this document? Seriously, Mr. Speaker, I ask this question because I will not be here to question him on Monday or Tuesday. Will he indicate briefly the aspects of the white paper that he will be covering in this proposal?

Mr. Benson: Mr. Speaker, I will be reporting on the specific matter I indicated to the committee I would report on to them.

Mr. Stanfield: One further supplementary question, Mr. Speaker. Will this document the minister will be sending to the chairman of the committee on Monday include all the changes in the white paper proposals that the minister is prepared to make at the present time?

Mr. Benson: Yes, Mr. Speaker. I am not prepared to make any changes in the white paper proposals. I would rather follow through the normal procedures of Parliament when a document is referred to a committee, that is, to have the committee hold hearings and advise the government on it.

Mr. Stanfield: Will the minister agree that it would be perfectly proper for the minister, as he is now doing, to indicate the changes that he is already prepared to make so that the minister would be indicating to the chairman of the committee any changes that have taken place in his thinking? That is why I asked whether these changes incorporate all the changes that have taken place in the minister's thinking to date?

Mr. Benson: Mr. Speaker, the matter is before the committee. The committee is holding hearings. I hope all thinking Canadians who wish to make proposals will make those proposals to the committee. The government will expect to receive advice from the committee.

Some hon. Members: Hear, hear!

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, could the minister indicate when he expects to announce the important and numerous changes which the Prime Minister said on Wednesday night at a Liberal dinner in Toronto would be made in the white paper?

Mr. Benson: Mr. Speaker, my hon. friends seem not to believe in Parliament at all. This parliament referred the white paper—

Some hon. Members: Oh, oh!

Mr. Benson: This House referred—

An hon. Member: Look who is talking.

Mr. Benson: This House referred the white paper to a committee of the House to examine it. The committee is examining the white paper. I think it would be quite improper for me to run around and flout the committee as the Leader of the Opposition is doing.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I hesitate to interrupt the minister but we are perhaps now entering the field of debate. We should now go on to the next question.

HOUSING

STARTS—INTEREST RATES—DISCUSSIONS WITH GOVERNMENT AND FINANCIAL REPRESENTATIVES

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the minister in charge of housing. In view of the drastic decline in housing starts and the unprecedented height of mortgage interest rates in the first part of this year, will the minister invite to Ottawa representatives of the provincial and municipal governments together with representatives of the financial institutions for the purpose of finding ways and means to solve these problems and to give federal leadership in this important field?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, this is an interesting and constructive suggestion. I would only comment that we are almost constantly in communication with each component group that can bring effort to bear on the matter. I will certainly take the suggestion under advisement.

Mr. Gilbert: Mr. Speaker, I have a supplementary to the minister. As an interim measure would the minister direct $50 million of the $200 million set aside by him for innovative purposes for the purpose of rent subsidies to assist low-income people to obtain adequate accommodation?

Mr. Speaker: The hon. member's question is really a proposal or suggestion. I would not think this is a proper question. He has to assume that the minister will consider the proposal that has been made to him.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary question for the Minister without Portfolio responsible for housing.

Could he tell us why his department has reduced from $35 million to $17 million the grant which was to be given to the City of Montreal for the Little Burgundy renewal project?

[*English*]

Mr. Andras: Mr. Speaker, no agreement was ever entered into by the federal government with the city of Montreal for $35 million or any other amount for urban renewal there. Authority for such negotiations was given to one of my predecessors back in 1966-67 but in the meantime the Quebec Housing Corporation was formed and we were asked to enter into a master agreement with them with the understanding they would allocate the urban renewal funds in that master agreement. With regard to our offer made to Quebec in December which I announced in the House concerning three schemes, one in Montreal and two in Quebec, satisfactory negotiations are going on now with the Quebec Housing Corporation. Frankly, it came as a complete surprise to me to be told of the press statement which appeared this morning about Montreal.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I should like to put a supplementary question to the minister. Is it true that the city of Montreal has rejected the $17.8 million that Central Mortgage and Housing Corporation has offered to it for the Little Burgundy urban renewal project?

Mr. Speaker: The question as asked is not in order. The hon. member is inviting the minister to confirm or deny a report. In this way the question is not in order.

Mr. Allmand: Perhaps I might reword the question, Mr. Speaker. Has the city of Montreal sent a message to the minister stating that they refuse the $17.8 million which has been offered to them?

Mr. Andras: Mr. Speaker, no such communication has been received by me.

[*Later:*]

Mr. Valade: Mr. Speaker, I should like to ask the minister whether he would reconsider his position in view of the fact that without this money urban renewal in Montreal cannot go on. Would he reconsider his opposition and grant the $35 million which is required for the project?

Mr. Andras: We have offered to the Quebec Housing Corporation and the Quebec government $17½ million for the implementation of the Montreal scheme. I have had no counter-proposal from them so all this battle is going on through press statements.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, will the minister say, in view of the housing crisis to which my colleague, the member for Broadview, has referred and in view of the forthcoming budget, whether the government is giving consideration to the elimination of the federal sales tax on building materials?

Mr. Speaker: The hon. member, of course, is anticipating an order of the House.

URBAN RENEWAL—COMMITMENTS TO HAMILTON AND MONTREAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary for the minister. In view of the growing concern and frustration that has resulted from the government's attitude with regard to urban renewal, would the minister take it upon himself at least to visit the cities of Montreal and Hamilton in order that some concrete proposals can be made with regard to continuing urban renewal, particularly when commitments or implied commitments have been made by this government?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, we made a very clear commitment to the city of Hamilton and a precise amount of money was named in that commitment. So far as I am concerned I have had no communication from official representatives of Hamilton to the effect they are having difficulty forming a plan within that commitment. If they want to communicate with me directly I will be glad to visit with them. So far as Montreal is concerned I believe I gave an explanation a few minutes ago.

Mr. Alexander: Mr. Speaker, I appreciate the answer the minister has given me but I thought I had pointed out there is a sense of frustration which exists in the city of Hamilton—

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

CONSTRUCTION BY POLYMER FOR LOW-INCOME GROUPS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, could the minister indicate whether CMHC has had discussions with officials of the Crown corporation, Polymer, which has just entered the housing construction business with the intent of providing at the earliest possible time housing for low-income groups in Canada?

Hon. Robert K. Andras (Minister without Portfolio): Yes, Mr. Speaker. CMHC has had such discussion.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, has the minister in charge of housing abandoned the proposal of the Hellyer task force that the federal government should make direct loans to municipalities and regional governments to assist them in assembling and servicing land for urban growth?

Mr. Speaker: Order. The hon. member for Prince Edward-Hastings.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question. In the examination of prices in an effort to provide housing at more reasonable rates for the people of Canada have the minister and his associates studied the plan in operation in Australia where people can buy a three-bedroom house for the equivalent of $12,000 with a $1,200 down payment and a 5 per cent mortgage?

Mr. Speaker: This interesting question is of the same nature as the one asked by the hon. member for Moose Jaw. Perhaps it would be more proper as part of a debate.

Mr. Hees: On a point of order, Mr. Speaker, it is a very important question. The minister can very easily answer yes or no if he knows the answer.

[*Translation*]

INDUSTRY

GOLD MINING—POLICY RESPECTING GRANTS—PUBLICATION OF STUDY

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to put a question to the Minister of Energy, Mines and Resources.

Could he indicate to the House whether the policy regarding subsidies to gold mines for the next few years is still under study and whether he has received or intends to hear representations from industrialists and union members?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the study is still going on and I shall be pleased to hear the representations referred to by the hon. member.

Mr. Laprise: Mr. Speaker, I should like to ask a supplementary question.

Is the minister in a position to tell us whether the report on this study on subsidies to gold mines will be published and whether the proposals that his department intends to make will be announced soon enough, this with a view to reassuring the miners and allowing the mining companies to work out their budgets?

Mr. Greene: Mr. Speaker, no decision has been made yet on whether the report should be published or not. However, I can assure the hon. member that an opportunity will be provided to spokesmen form industry and unions to discuss the matter before a decision is made.

[*Later:*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary question to the Minister of Energy, Mines and Resources.

When he answered the hon. member for Abitibi a moment ago, he referred to the fact that for various reasons, the recommendations of the study would probably never be published. Can the minister tell the House that those recommendations will be published, so that fair and complete representations can be made?

Mr. Greene: Mr. Speaker, I cannot give that assurance to the House, because I am not the only one concerned, since the government is also involved. I can, however, assure the hon. member that we will certainly listen to the representations to which he referred.

[*English*]

GOLD MINING—POLICY RESPECTING GRANTS—REALLOCATION OF WORKERS

Mr. Robert Muir (Cape Breton-The Sydneys): May I ask the minister how soon he will be in a position to make a statement regarding this crisis with reference to further assistance under the Emergency Gold Mining Assistance Act. May I also ask him what consultations he has had with the Minister of Manpower and Immigration, whether special counsellors have been sent into the area to

cope with the situation, and whether any thought has been given to the reallocation of workers?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): No decision has yet been made as to when reports will be made available or as to when there will be a decision, although obviously it must be taken before the end of the year. We are doing a very comprehensive survey in the regions affected to determine the nature of the economic and human dislocation which would be caused by the discontinuance of the program. If it were deemed in the public interest that the program be discontinued, then certainly these studies will be made available to the Department of Manpower and Immigration and to the Department of Regional Economic Expansion to achieve the maximum well-being and offer alternative opportunities of employment to the workers.

Mr. Muir (Cape Breton-The Sydneys): What steps have been taken to date by the Minister of Manpower and Immigration and what consultations have taken place in line with the statement of the Minister of Regional Economic Expansion that no corporation and no government should lay off massive groups of men without making proper arrangements and giving adequate notice?

Mr. Greene: The surveys are being done by my department at the present time, and officials of my department are of course consulting officials of the Department of Manpower and Immigration and the Department of Regional Economic Expansion, but until a decision is made to abandon the program no alternative program can, of course, be considered.

TRANSPORT

ACTION ON RAILWAY FREIGHT RATE INCREASES

Right Hon. J. G. Diefenbaker (Prince Albert): My question is for the Minister of Transport. It has to do with the increase in freight rates, effective March 1, on the part of the CNR and the CPR for livestock and certain other commodities. I raised this question earlier to ascertain what the government is going to do in order to protect agriculture from this further body blow with respect to livestock production at a time when encouragement is being given to diversification from wheat and other cereal production.

[Mr. Muir (Cape Breton-The Sydneys).]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I answered this question in part the other day.

Mr. Diefenbaker: Only in part.

Mr. Jamieson: At the time when the freight rate increases were announced originally the railways, at the request of the government, deferred their implementation until the conference sponsored by the Prices and Incomes Commission could be held. Subsequently, when the guidelines were announced by the Prices and Incomes Commission the railways felt they were well within those guidelines and consequently announced they were going to proceed with the increases. As a result the Prices and Incomes Commission is now investigating whether or not these price increases were justified, and in order to facilitate this investigation, to get it done as quickly as possible, Canadian Transport Commission officials have been made available to the Prices and Incomes Commission for this purpose.

Mr. Diefenbaker: A supplementary question. May I ask the minister whether the increases have actually taken effect already, and what representations did he or any member of the government make to Canada's railways? He cannot make representations to the CPR, but what representations were made to the CNR?

Mr. Jamieson: I held lengthy conversations with both Canadian National and Canadian Pacific Railways. Their submission to me naturally was that these increases were justified in light of very considerably increased costs, including a 6½ per cent, I believe it was, labour cost increase as of January 1. I was not prepared, on the basis of my own competence, to judge whether they were justified or not, and hence the reference to the Prices and Incomes Commission.

I think the right hon. member will know there is no authority vested in the Minister of Transport arbitrarily to roll back these price increases which I regret, I am sure, just as much as he does.

Mr. Diefenbaker: I do recognize that fact but, after all, surely the CNR would listen to the government in a matter such as this? This is the second increase on livestock freight in a year.

[*Later:*]

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport. Was

the CNR not one of those government agencies, on the list of such agencies issued recently, that were not going to increase their prices or their rates?

RAIL AND TRUCK SHIPMENT OF GOODS F.O.B. TORONTO OR HAMILTON—EFFECT ON PRICE RESTRAINT PROGRAM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport. Has he received complaints from a large number of people in western Canada that goods which were formerly shipped by rail or truck f.o.b. Winnipeg or Regina are now shipped f.o.b. Toronto or Hamilton, which has meant a substantial increase in the actual prices which will be passed on to consumers, making a mockery of the government's restraint program? Has the minister had any complaints and, if so, what is he doing about them?

Hon. Donald C. Jamieson (Minister of Transport): I do not recall at the moment whether this specific matter has been referred to me personally but if the hon. member, who obviously has had complaints, will send them to me I will be glad to investigate them.

ST. LAWRENCE SEAWAY—DECREASE IN REVENUE—LOWERING OF RATES ON CEREAL GRAINS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I direct a supplementary question to the Minister of Transport. In light of the fact that the St. Lawrence Seaway Authority has announced a drop of 14 per cent in its earnings this year, and that in large part this is due to the decline in wheat carried, will consideration be given to lowering the rates or tariff on cereal grains to correct this situation and to help the movement of grain east?

Hon. Donald C. Jamieson (Minister of Transport): Well, Mr. Speaker, this is a very complicated subject, and I do not believe I could answer it in a manner that would be acceptable to you. I can only say my information is that the drop in revenue was only partially and perhaps minimally affected by grain rates and was due to the lengthy and protracted iron ore strike in Labrador.

NATIONAL DEFENCE

PROPOSED RENT INCREASE FOR PERMANENT MARRIED QUARTERS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In keeping with other government agencies and departments that have withdrawn projected increases in fees, rentals, and so forth, is the Department of National Defence considering the withdrawal of the proposed rental increase for permanent married quarters, projected for April 1 next?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, we have delayed actually implementing a decision that had been taken some time ago on the advice of the Treasury Board. We are trying to comply with some kind of national average in this case. I think the decision to increase the rent was taken before January 1, and the roll-back applies to decisions taken on or after January 1.

Mr. Lambert (Edmonton West): A supplementary question. Perhaps the minister can reconcile his statement with the government's decision to withdraw the airlines ticket tax which was originally announced in the last budget—

Mr. Speaker: Order, please. I would not think this is a proper question. The hon. member for Oxford.

CONSUMER AFFAIRS

RESIDENCE OF THOSE CONDUCTING PRICE SURVEY

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Will the minister get in touch with the Dominion Bureau of Statistics and make arrangements to have its local representatives conducting the present consumers' price survey carry out their duties in areas other than those in which they are resident? I ask this question, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member has asked the question. I have suggested before that it is not in order to continue the matter by explaining or indicating why the question is asked. It is much simpler to just ask it and give the minister an opportunity to answer it.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I would like to know more about it, Mr. Speaker. Are these people not good Canadians?

Mr. Speaker: Order, please. Perhaps this is one occasion where the explanation might be helpful.

Mr. Nesbitt: That is what I had in mind, Mr. Speaker. I asked the question because I have received several complaints that persons are refusing to answer the many highly personal questions in this survey because they are being asked by next-door neighbours, which creates great personal embarrassment, and these people who are refusing to answer the questions, are liable to be prosecuted.

Mr. Speaker: I suppose the matter will now be clear to the minister.

Mr. Pepin: I will look into it immediately, Mr. Speaker.

CANADIAN CONSTITUTION

PROVINCIAL JURISDICTION OVER WHEAT, OIL AND TRANSPORTATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. In light of the fact that the Special Joint Committee of the Senate and the House dealing with the constitution are limited by their terms of reference to dealing with proposals advanced by the government, is it government policy now, as was indicated recently in a speech by the Minister of Supply and Services in Winnipeg, that it is not out of the realm of possibility for western Canada to control wheat policy, oil policy and possibly transportation?

Hon. Mitchell Sharp (Acting Prime Minister): Well, Mr. Speaker, I can assure the hon. member and all members of the House that the government takes full responsibility for the policies it announces and supports.

HOUSING

REQUEST FOR STATEMENT ON PUBLIC HOUSING GUIDELINES

Mr. David Lewis (York South): Mr. Speaker, may I with your permission come back to the Minister without Portfolio in charge of housing and ask him whether he has completed his discussions with the provincial ministers in charge of housing, and whether he can inform the House as to the date when we may expect a statement from him with regard to public housing guidelines?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, those consultations I regret are not yet completed, although I am just as eager as the hon. member to come to a decision. Therefore I am not in a position to give a precise date. As far as I am concerned it will be as soon as possible, recognizing the need for some statement on this matter.

[Mr. Speaker.]

Mr. Lewis: Could the minister indicate even approximately how much longer he expects these discussions to take so that Parliament and the country may know what the policy with regard to public housing will be without too long a delay?

Mr. Andras: Mr. Speaker, I would hope that it would be a matter of three or four weeks. I might add that in the meantime many, I think, beneficial changes are taking place on a somewhat unofficial basis, so the time for a precise announcement does not mean a total loss of change required.

CONSULTATION WITH INSURANCE COMPANIES, REAL ESTATE AGENTS AND LAWYERS RESPECTING FEES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask a question of the Minister without Portfolio in charge of housing. In view of the kind of program the Minister of Consumer and Corporate Affairs is endeavouring to carry out, has the minister consulted with insurance companies, real estate people and lawyers in an effort to have fees, commissions and other costs involved in house sales and transfers reduced, or at least the line held, and is the minister giving consideration to establishing a national conference with these people to discuss this topic?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, that is a long and involved question. Most certainly in the amendment to the act last summer we reduced certain of the fees chargeable in this general area. We are making our views known to lawyers and insurance companies about our distaste for excessive charges in this field, but as far as a national conference is concerned it has not been planned along that line.

CMHC CAPITAL BUDGET—APPLICATIONS FOR SHARE OF $200 MILLION FOR INNOVATIONS

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. I should like to ask the minister whether any actual applications have been made to CMHC for any of the $200 million which the minister announced in the capital budget of CMHC for new innovations?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I would say dozens and dozens of these applications and suggestions are flowing in and we have a special

group in CMHC dealing with them trying to choose among the many very good suggestions.

Mr. Orlikow: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. There are a number of supplementaries so perhaps I might return to the hon. member for Winnipeg North in a moment. The hon. member for Hillsborough.

POST OFFICE

MONTREAL POSTAL DISPUTE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Acting Prime Minister which concerns the continuing chaotic state of the mail service in Montreal. Now that the Minister of Labour and the Postmaster General have failed, could he advise what other minister or ministers will now be assigned the duty of bringing about a solution to the prolonged postal dispute in Montreal?

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

NATIONAL DEFENCE

PROCEDURE IN REDUCING NUMBER OF CIVILIAN EMPLOYEES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. Further to his statement when he announced reductions in the strength of the Canadian Armed Forces, could the minister now indicate to the House and the people of Canada what procedure he will follow in achieving the reduction of the 5,000 civilian employees?

Mr. Speaker: I would think that the information the hon. member is seeking is of such wide import that it should be given to the House by way of a general statement. If the minister has a short reply I am sure that would be fine, but in the normal way the information should be conveyed on motions.

Mr. Forrestall: Then, Mr. Speaker, could I invite the minister to make a statement at an early opportunity in view of the widespread rumours circulating within the ranks of civilian employees? Would the minister make such a statement in the next few days?

Inquiries of the Ministry

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, certainly in a general way one should discount rumours. There was one in Halifax yesterday to the effect that we were dispensing with the services of 1,000 people. This is completely untrue and therefore I cannot speculate on rumours. I think I did indicate in a general way when I made my statement that most of the reductions would be achieved by normal attrition. There are some problems, but in any case I gave a commitment, which I am trying to live up to, that never in our reductions would we give less than six months' notice. This happened last week to a group in a depot in Montreal which we are going to close. They were given six months' notice and most of them were given some preference or some kind of priority for an examination in the civil service that would come up—

Mr. Speaker: Order, please. I would not think the statement should be made now. The hon. member for Victoria-Haliburton.

POLLUTION

SECOND VOYAGE OF "MANHATTAN"—PLANS TO DISPOSE OF POSSIBLE SPILLED OIL

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Transport with respect to the *Manhattan* voyage in Arctic waters. I should like to ask the minister if his department now has a plan whereby any spilled oil can be immediately disposed of should some catastrophe befall the U.S. tanker *Manhattan* while she is in Canadian waters?

Mr. Speaker: It seems to me this same question was asked last week or earlier this week.

EXTERNAL AFFAIRS

OPENING OF PASSPORT OFFICE IN TORONTO

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the great demand for passports and keeping in mind the frustration and confusion that the Canadian people were confronted with last year in applying for passports, is it still the intention of the department to open an office in Toronto and, if so, when may we expect it to be opened and what is the possible location?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can answer the last part of the question by saying it is still the intention to open an office in Toronto. I think all the arrangements have been com-

pleted and an announcement will be made within a few days, I hope. May I say while I am on my feet that I hope all Members of Parliament will encourage people who intend to travel at the peak of the season to apply for passports now as this will greatly facilitate the handling of the problem.

CHARGING OF FEE FOR ASSISTING PASSPORT APPLICANTS

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, a supplementary question. A few days ago I asked a question in connection with a news item which indicated that travel agents were going to charge $5 for getting passports for people. Does the minister have a report?

An hon. Member: Running a racket.

Mr. Stanfield: Who, the minister?

Mr. Hees: Did you hear what he said about you? Deny it. You are in serious trouble.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, contrary to what was suggested in the news report, this did not have the blessing of the passport office. All applications for passports are handled with all possible speed for the regular fee, whether sent direct or through a travel agent. Where delays occur in issuing passports, it is usually because of errors or omissions in the application. If applicants for passports wish to ask a travel agent to assist them in making out their application and forwarding it to the passport office, they are free to do so. The new branch passport offices in Montreal, Toronto and Vancouver will be able to give advice and assistance in urgent cases. I do want to say that the agency explained to us at least that their service was not meant to be available to the public but to travel agents in other parts of the country. I can assure you that this did not have the blessing of the Canadian government, and I advise anyone concerned not to waste his money.

[*Later:*]

OPENING OF PASSPORT OFFICE IN VANCOUVER

Mr. Grant Deachman (Vancouver Quadra): I have a supplementary question for the Secretary of State for External Affairs. Can the minister advise if any special arrangements are being made to assist people in the city of Vancouver in respect of passports?

[Mr. Sharp.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. It is our intention to have an office in Vancouver which will be opened shortly to handle, particularly, emergency cases. I hope that other applicants will continue to use the ordinary facilities but use them in time and not wait to the last minute.

HOUSING

ESTABLISHMENT OF GOVERNMENT SAVINGS AND MORTGAGE INSTITUTIONS

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a question for the Minister without Portfolio in charge of housing. Is consideration being given to the establishment of a government-owned system of savings and mortgage institutions designed specifically to serve the residential mortgage market on a regional basis?

Hon. Robert K. Andras (Minister without Portfolio): Such consideration has not been given at this time, Mr. Speaker, but I think many of these kinds of alternatives are being looked at.

CANADIAN CONSTITUTION

PROVINCIAL JURISDICTION OVER WHEAT, OIL AND TRANSPORTATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Supply and Services. Will he make a statement on motions at an early date setting forth his policies with regard to wheat, oil, transportation and the constitutional aspects? In particular, would he explain in the statement how his views differ from those being put forward by the Quebec government with regard to provincial authority?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, I do not think this should be the subject for a statement on motions.

POLLUTION

CONVERSION OF SEWAGE TREATMENT PLANTS TO REMOVE PHOSPHORUS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources dealing with pollution. Since the International Joint Commission has now stated that only 2 per cent of the phosphorus entering Lake Erie and Lake Ontario from all sources comes from Canadi-

an use of detergents while 90 per cent of all the phosphorus in sewage should be removed in order to control the growth of algae in lakes, what recommendations is the minister making to convert existing sewage treatment plants for the removal of phosphorus?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the total package can, I think, be subsumed best under the Canada water bill. If the committee can get the Canada water bill back to the House so that we can make it law, I think it will be an extremely useful vehicle for the solution of the problem.

INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of Finance mainly because so many other ministers are defying the roster system and Standing Order 5 of the House of Commons today. Has the minister any evidence of wholesale bank deposits made by Canadians at American border points because of their fears of the white paper and the future of Canada?

Mr. Speaker: Order. The question is not in order.

LABOUR CONDITIONS

RATIO OF LAY-OFFS IN CANADIAN AND U.S. AUTOMOBILE INDUSTRIES

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question that I shall direct to the Minister of Industry, Trade and Commerce. In view of the concern regarding the unemployment in the auto industry in the Oshawa area and surrounding areas, could the minister indicate if this situation is peculiar to this area or if the same situation exists in other areas of Canada and the United States?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Cafik: On a point of order, Mr. Speaker, this matter is of genuine concern to the people of my area. I ask Your Honour to allow the minister to reply to the question.

Mr. Speaker: It is the form of the question about which I have doubt. I realize how important the matter is and that it is of concern. I do not want to prevent the minister from answering an important question if it is the feeling of hon. members that the minister should be given an opportunity to reply.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my department keeps monitoring this situation. It has not been found that there are disproportionate lay-offs in the automobile labour force in Canada as compared with the situation in the American labour force.

Mr. Cafik: A supplementary question, Mr. Speaker. Are such unemployed people in the auto industry eligible for assistance under the TAB program?

Mr. Pepin: Yes, Mr. Speaker, they are eligible under the unemployment act and under the TAB program. I understand in some cases the benefits can be as high as 95 per cent of the usual take-home money.

Mr. J. Edward Broadbent (Oshawa-Whitby): A supplementary question. Is it not the case that the three most recent applications for TAB in the Oshawa area have been turned down?

Mr. Speaker: Order, please. The question is asked in an argumentative way.

Mr. A. D. Hales (Wellington): I have a supplementary question for the Minister of Industry, Trade and Commerce. Will the minister consider having the prices of Canadian cars reduced to the same level as those in the United States in order to increase employment?

Mr. Pepin: No, Mr. Speaker. However, I am glad to report that the gap between the United States price ex-factory and the Canadian price is shrinking. Last year it was 3.8 per cent. It is now down to 3.5 per cent.

TRADE

REQUEST FOR STATEMENT ON DECREASE IN COMMODITY SURPLUS

Hon. George Hees (Prince Edward-Hastings): I wish to direct a question to the Minister of Industry, Trade and Commerce. Will the minister take the first opportunity on motions to outline what steps his department is planning to take to counteract the decrease of more than half a billion dollars in our commodity trade surplus that has taken place during the past year?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I doubt that, Mr. Speaker, but I am in the habit of writing to the hon. member when he asks me one of these colossal questions. I can promise him another letter which will place his observation in the proper perspective.

Inquiries of the Ministry

Mr. Hees: A supplementary question. Will the minister make sure that in his letter he explains the situation rather than dealing in the meaningless gobbledegook which his department—

Mr. Speaker: Order, please.

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): I wish to direct my question to the Minister of National Defence. In view of the government's austerity program, will the minister please inform the House why electric eye magnetically-controlled toilet flushers were installed in place of manual flushers in the officers' quarters at Uplands?

Some hon. Members: Oh, oh!

Mr. Speaker: This question could be placed on the Order Paper.

CANADIAN CONSTITUTION

PROVINCIAL JURISDICTION OVER WHEAT, OIL AND TRANSPORTATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, it is too bad the Secretary of State for External Affairs did not have an opportunity to answer the last question. I wish to direct a question to the Minister of Supply and Services in connection with his reconfederation plan to offset separatism in western Canada, under which western Canada would have control over wheat policy, oil policy and transportation. Will the minister say whether there is a task force working on this?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, I assume the right hon. gentleman is referring to a report of a speech I made in Winnipeg on Monday.

Mr. Diefenbaker: Yes.

Mr. Richardson: I did name these subjects but I was not talking about our present wheat policy, oil policy or transportation policy. I was talking about where these policies should ultimately be directed. This is a constitutional matter.

Mr. Speaker: Order, please. I hesitate to interrupt the minister, but a question on this point has already been asked. As hon. members know, the only way questions can be asked about statements or speeches made outside the House is by way of a question to the Prime Minister or the Acting Prime Minister as to whether these statements represent government policy. The question has already been asked of the Acting Prime Minister.

Mr. Diefenbaker: Mr. Speaker, may I ask the question directly? What is the plan that the minister has in mind whereby we in western Canada are going to be able to control our wheat, oil and transportation? What is this plan?

Mr. Speaker: Order, please. I think the minister would want to give this explanation by way of a statement on motions.

Orders of the day.

I gather that in view of the order passed earlier today we now revert to motions for the purpose of putting to the House the motion standing in the name of the hon. member for Grand Falls-White Bay-Labrador.

ROUTINE PROCEEDINGS

TRANSPORT AND COMMUNICATIONS

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador) moved that the fourth report of the Standing Committee on Transport and Communications, presented to the House on Tuesday, February 3, 1970, be concurred in.

He said: Mr. Speaker, some time last year the Standing Committee on Transport and Communications received an order of the House to travel where they saw fit in the Atlantic provinces to deal with questions of transportation. The original idea was that the committee would visit only the provincial capitals. I and my colleagues from Newfoundland who were members of the committee at the time were successful in conveying to the committee and convincing them of the absolute necessity and importance, because of the unique transportation problems in the Labrador part of my riding, that they should also pay a visit to Labrador. I sincerely appreciate the committee's sympathy in agreeing to visit Labrador.

We decided that because we did not have too much difficulty convincing them to pay one visit we would press our advantage and suggest that they make two visits in Labrador. We again received the support of the committee on this suggestion. Consequently this past September the committee visited the Wabush-Labrador City area and also the

Goose Bay-Happy Valley area. In addition, the committee visited many areas on the north shore. They visited Lévis, Baie-Comeau, Sept-Îles and Schefferville in the province of Quebec and the towns of Wabush, Labrador City, Goose Bay and Happy Valley in the province of Newfoundland.

I do not really believe it should be necessary to take the time of the House to have a debate on this matter. My motion is simply that the report of this committee be concurred in. Hon. members will recall the report was presented to the House on February 3 by the hon. member for London East (Mr. Turner) in the absence of the hon. member for LaSalle (Mr. Lessard), the chairman of the committee, who was ill at the time.

Mr. McGrath: The genial chairman.

Mr. Peddle: The genial chairman, of course. When a report of this kind is presented to the House, I cannot understand why a motion for its concurrence is not made at the same time. However, this was not done. The committee consisted of 20 to 25 members of this House from all parties. We proceeded on this trip at very considerable public expense. There was a bevy of interpreters, technicians, shorthand writers and clerical staff. A lot of hard work went into the drawing up of this report. Following the trip there was further discussion and investigation and I do not really see what the objection is to concurrence by the House.

• (12:00 noon)

I am sure the committee was pleasantly surprised at the reception members received when they arrived in Wabush. The people of the area were enthused about a visit of the Transport Committee. A friend of mine in Labrador, Mr. Burgess, had seen fit to arrange for a big welcoming committee to be at the airport. We stayed in this area for several days. The meetings were well attended by the public. We received a large number of briefs from various groups and organizations, briefs which were helpful and well constructed. It was generally agreed on the way back that the committee, in its travels, had never seen such interest and such enthusiasm.

Some hon. Members: Hear, hear.

Mr. Peddle: There is a good spirit in Labrador, and I am sure the Minister of Transport (Mr. Jamieson) will bear me out when I say this. Only recently we had the opportunity to attend a great conference there on Labrador's role in the 'seventies. The minister spoke to the gathering there and I believe the title of his speech was "The Federal Government's Plan for Labrador".

The Transport Committee made a number of recommendations to the House. I expect the hon. member for Manicouagan (Mr. Blouin) will deal with those which affect his constituency—we share a common boundary. My remarks will concern the recommendations which apply to Labrador. Action has already begun with respect to one of these recommendations, namely, that an instrument landing system be installed at the Wabush terminal airport. I note with pleasure that there is an appropriation in this year's estimates of some $200,000 to provide this facility. A further recommendation is to the effect that the Department of Transport should take over the operation of the terminal at Wabush which is presently administered by a private concern.

The recommendation which arouses most interest among the people of Labrador is, I believe, the one which has to do with roads and highway construction. The committee recommended that the federal government consider the advisability of entering into an agreement with the Province of Quebec and Newfoundland with a view to constructing a road to connect the north of Baie Comeau with the cities of Sept Iles, Manicouagan, Gagnon, Wabush, Churchill Falls and Goose Bay, of course, by using existing roads as far as possible. A further recommendation was that a connecting road should be constructed to link the city of Schefferville with the new road.

Everyone is aware that highways normally come under provincial jurisdiction. The committee accepts this principle, and was aware of it. Nevertheless, the suggestion was made that the federal government should initiate discussions with the two provinces concerned to the end that a satisfactory road be established.

I shall not stand here and talk just for the sake of talking. As I said earlier, I do not think it should be necessary at all. Last night we heard the hon. member for York East (Mr. Otto) take back some of the unkind remarks he had made about the committee system. He told us that in his opinion the committee system had greatly improved and that he now had no compunction about lauding it in the House. If the committee system is to mean anything, I see no reason why the Transport Committee should not exercise the same amount of influence as, for example, the committee of this whole House. After all, we did

not go on any pleasure cruise; our members worked hard under the guidance of a very capable chairman, the hon member for LaSalle (Mr. Lessard).

Some hon. Members: Hear, hear.

Mr. Peddle: I feel sure that had the hon. member not been ill when he presented the report to the House on February 3, he would have moved for concurrence at that time. The arrangement today is that a vote is to be taken at three o'clock. If the Minister of Transport, the President of the Privy Council (Mr. Macdonald) or any other of the hon. gentlemen opposite would say right now that the report can be concurred in, I am sure there would be no further debate, at least from this side of the House, and we could get on with the rest of our business. I invite the genial chairman of the Transport Committee to participate in the discussion. I invite the hon. member for Manicouagan to participate. I am certain he will support the idea that the report should be concurred in. I invite the Newfoundland representative in the federal cabinet to throw his support behind the motion in the interest of Newfoundland.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it is always a happy day for me when I can agree with the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) and demonstrate, despite some criticism to the contrary, that my interest in Newfoundland remains as extensive and every bit as sincere as is his own.

I am always happy when I can commend the Committee on Transport and Communications, of which I was a member back in days before many hon. gentlemen were in this House. I have good reason to know the hon. member for Grand Falls-White Bay-Labrador is correct when he says this is one of the most hard-working committees of the House and one of the most thorough. It usually comes up with some of the best recommendations.

• (12:10 p.m.)

Among those are the recommendations contained in this report. I say this, perhaps, with more authority than I can express judgment on some of the other matters dealt with in the committee's recommendations, because I have a personal knowledge of at least most of the matters which are discussed in this report. It is clear from the recommendations that are made that they did, in fact, get first hand information in the areas in which they travelled. In fact, what they have said constitutes a very good reflection of the views of people living in those areas. The solutions that they propose appear to be, in most instances at least, logical and sensible, ones that the government ought to pursue. So I have no hesitation in saying that, certainly in principle, the ideas expressed make a good deal of sense.

I was also delighted to have the hon. member for Grand Falls-White Bay-Labrador acknowledge that in the case of highways, and in the case of some of the other recommendations contained in the report, these are not matters that are completely within the competence of the federal government. There is in the case of the roads proposals, as in some others, the necessity to consult with the various provincial governments, and even with some of the municipalities. Indeed, there are other places where even private interests are involved. In one or two cases one might question whether or not the recommendations come within the purview of the federal government at all. I have in mind the last of the recommendations having to do with the current status of the Carol Lake Company Act, which it could conceivably be argued is a matter relating wholly and exclusively to the provincial government. I am not certain of that but that will be a point worth examining.

My main reason for making these comments is to point out that in all cases we will be more than prepared to make the studies that the report recommends. On balance, as Minister of Transport, I feel that many of the recommendations are sound. As the hon. member for Grand Falls-White Bay-Labrador has said, in one or two cases we have already proceeded to implement these recommendations. Certainly, I see no reason why we should not look into the others.

Again, let me emphasize that in virtually all of the recommendations there is, in addition to the need to consult with, for example, provincial governments and other agencies, the necessity for feasibility studies to be made. There is also some question of jurisdiction in the matter, for instance, of the ferry from the north shore to the south shore of the Gulf of St. Lawrence. Again, this is one of those issues where it is not clear in my mind whether it is a federal responsibility or requires the initiation of the provincial government which will be helped through some form of subsidy program, if that turns out to be the logical answer to the problem. Similarly, in the case of other proposals, it will be necessary to discuss whether this method would provide the solution.

I have received, as I believe the committee have, representations suggesting that the real answer in terms of that part of the country is perhaps an extension of the roads system. Therefore, within the whole complex of these first class recommendations, I am sure that the committee members, as well as the members of the House, recognize the need for the studies they propose.

On the question of airline activities in northern Quebec and Labrador, here again there is some question as to the competence of any government agency to require that, for example, the two airlines pool their activities. This recommendation pretty well parallels one that was made by the Canadian Transport Commission itself at the time that these licences were granted. It will be necessary in this case to see whether or not we have the power or the authority in any agency of the federal government to force them to do this if they do not feel so inclined.

I want to express my very great regret that these airlines have not, in fact, as yet seen fit to carry out this suggestion of the Canadian Transport Commission. Quite frankly, I am disappointed that it has taken so long for them to do so. As yet I have not found any clear cut explanation on the part at least of one of the airlines concerned why that is so. I am told that one of the airlines is quite happy and is prepared to do so. However, I simply make this point of order to emphasize that it may not be something that we are in a position to require two carriers to do. If we can do so, then I will not be in the least hesitant to utilise my maximum authority, because what the committee has recommended does make an enormous amount of sense.

All of this is simply by way of saying that I and the government would have no compunction whatever about accepting the hon. member's motion. In giving concurrence to the committee report, I want to emphasize what I said before. Concurrence on the part of the government in this motion involves our acknowledgement of the valuable work that has been done by the committee in examining transportation conditions in eastern Canada. It involves the acknowledgement that the work was thorough and that many reasoned recommendations resulted. By concurring in the motion, the government also agrees that the committee's recommendations deserve, and will get, full consideration in terms of the implementation of policy. To the extent that our competence, budgetary conditions and general policies permit, as well as, of course, in terms of the limitations of our jurisdiction, as I said a moment ago, we will be pleased to act on the recommendations and to make them the basis of future policy planning.

I am delighted to have been able to say this, and I am also delighted that we can now save the time of the House. In view of the commitment made to us by the hon. member for Grand Falls-White Bay-Labrador that this will end the debate, I suggest that the question be put and that we get on with the business of the House.

Mr. James A. McGrath (St. John's East): Mr. Speaker—

An hon. Member: That's right, talk it out.

Mr. McGrath: We have no intention of talking out the motion, but I do feel it necessary to make a few comments on the remarks that were just made by the Minister of Transport (Mr. Jamieson).

First of all, I suggest to the minister that we are delighted the government has finally decided to recognize that there was a fourth report of the Standing Committee on Transport and Communications, and that, as a consequence of the initative of my colleague the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle), the government are going to accept the recommendations contained in that report.

I find it passing strange that this report was presented to the House on February 3, yet no initiative was taken by the government, or indeed by the hon. member for LaSalle (Mr. Lessard), the chairman of the committee, to move concurrence in the report. One can only conclude either that the government did not know that a report existed, or that the report in some respect must have represented an embarrassment to them.

Contrast the motion on today's Order Paper by my colleague from Grand Falls-White Bay-Labrador with the second motion standing in the name of the chairman of the Standing Committee on Finance, Trade and Economic Affairs. The two motions are similar except for the fact that the second motion is standing in the name of the chairman of the committee. He is moving concurrence in a report that was presented to the House two days ago. The fourth report of the Standing Committee on Transport and Communications was, as I have said, presented to the House on February 3, over a month ago, and concurrence is moved only today and only as a

consequence of the initiative of an hon. member of the opposition, my colleague from Grand Falls-White Bay-Labrador.

I think that the House deserves an explanation of this situation. Certainly, the minister did not give an explanation. I hope that the hon. member for La Salle will get to his feet and tell the House why he did not carry out his responsibility as chairman of the committee.

[*Translation*]

Mr. Lessard (LaSalle): Mr. Speaker, on a point of order.

[*English*]

Mr. Speaker: Order. I will allow the hon. member to speak in a moment, but I have to bring to the attention of the hon. member for St. John's East that what is before the House is a detailed report. I suggest it is quite unparliamentary to attack the conduct of a member or of the chairman of a committee in the way he has. If he believes the report is worthy of consideration at this time, he should consider a discussion of that report but not the conduct of another member or, the conduct of the chairman of the committee. That is what is being done at the present time.

• (12:20 p.m.)

Mr. McGrath: Mr. Speaker, I have no hesitation at all in complying with your ruling as I have the greatest respect for the hon. member for LaSalle (Mr. Lessard). In fact, he is one of the hardest-working committee chairmen in the House. It is because of my great affection and respect for him that I hate to see the work of the committee as well as his hard work put aside in this way. I was about to suggest, before Your Honour got to your feet, that perhaps the hon. member for LaSalle failed to present the motion for concurrence in the report because of pressure from the government. That is the only conclusion to which I can come.

[*Translation*]

Mr. Lessard (LaSalle): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member on a question of privilege.

Mr. Lessard (LaSalle): Mr. Speaker, I would like to remind my hon. friend from St. John's East (Mr. McGrath) that the committee never enjoined me to move that my report be concurred in.

[Mr. McGrath.]

[*English*]

Mr. Speaker: Order, please. Again, I would like to suggest to the hon. member that what is before the House now is the substance of the report. It seems to me this is a very important report and if we are going to have a debate that is what we should be considering at the present time.

Mr. McGrath: Yes, Mr. Speaker, I agree with your ruling. I want to just comment on the suggestion by my hon. friend that there was never any suggestion there would be a motion for concurrence. The transport committee proceeded to Labrador and the north shore of Quebec last September in compliance with an order of reference from the House to conduct a study of transportation problems of the north shore of Quebec and that part of Newfoundland known as the territory of Labrador.

In compliance with that order of reference the committee, during the course of the recess prior to the present session, travelled to the north shore of Quebec and to Labrador under the capable chairmanship of the hon. member for LaSalle. It conducted hearings in the cities of Levis, Sept-Îles, Labrador City, Schefferville and Goose Bay, and worked diligently for ten days to hear the evidence on which the report and the recommendations now before the House are based. I find it inconceivable the hon. member for LaSalle would imply that there was never any suggestion the committee would not expect that its fourth report would be concurred in. Anybody who reads the recommendations contained in the fourth report, which is before the House, could only come to the conclusion that obviously the committee intended that the recommendations be concurred in by the House because they are specific recommendations to the House.

This is not the first time this has happened, Mr. Speaker. The same hanky-panky took place with the same committee at the last session of the House. I remember full well the second report of the transport committee and how at the last session of Parliament—

Mr. Speaker: Order, please. The hon. member should deal with the report which is before the House. Again, I suggest that if this debate is to serve a purpose it should be a discussion of the report before the House, not on reports which had been considered or perhaps ought to have been considered before. I respectfully suggest to the hon. member, and those who take part in this debate, that it is rather sterile to spend the whole day on a debate as to whether a motion which is not

before the House now should have been moved before. What is up for discussion is the substance of the report.

Mr. McGrath: Mr. Speaker, the report before the House and the recommendations contained in the report are, as I was suggesting, the results of a long and exhaustive study and public hearings. I am glad to see the hon. member for Manicouagan (Mr. Blouin) is in the House because he was one of the members of the committee who worked hard in the preparation of the report and he has a particular interest in the report because it affects so much of his constituency. I hope the hon. member for Manicouagan, before the allotted time for this debate has expired, will rise to his feet and make comments on the recommendations contained in the report. These recommendations are very important to the territory of the north shore of Quebec, and to my hon. friend's constituency of Manicouagan which is suffering the consequences of an inadequate system of transportation.

These recommendations are vital to the province of Newfoundland and Labrador, and I hope that the Minister of Transport (Mr. Jamieson) will not hide behind the narrow, hair-splitting excuse of jurisdiction as he suggested he is going to do. He has suggested, for example, that highroads come under provincial jurisdiction. Everybody in the House knows that. The committee knew that when it made these recommendations and the committee also knew—

An hon. Member: You don't seem to know—

Mr. McGrath: I do not mind being interrupted by Your Honour but, Mr. Speaker, I suggest that members on that side should permit me to conclude my remarks.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for St. John's East has the floor and questions can be asked of him only if he is prepared to yield the floor.

An hon. Member: Would the hon. member allow a question?

Mr. McGrath: Yes, I will be glad to entertain a question from the hon. member when I have finished my remarks.

We all know that highway construction does come within provincial jurisdiction. The committee knew that when it made its recommendations. We also had the experience of the Trans-Canada highway, and we also had the experience of the Roads to Resources Program. Both these programs were as a consequence of federal initiative, and both programs were carried out with substantial federal financial participation. There is, therefore, no suggestion that we are interfering with any area of provincial jurisdiction.

What we are suggesting is that the government of Canada exercise its responsibility to get an agreement between the province of Quebec and the province of Newfoundland and that the government of Canada participate in this agreement to build a road across Labrador, through the constituency of Manicouagan down to the north shore of Quebec. That is all we are suggesting; but the Minister of Transport knows the intransigence of the Premier of Newfoundland in this regard. He knows some of the political implications involved in this program. Perhaps that is why he suggested, or tried to suggest he was powerless to act because this was a provincial responsibility.

We are delighted that the government intends, at long last, to act on or accept the recommendations of the committee. The only thing we find difficulty in understanding is why the Minister of Transport—perhaps the hon. member for Lasalle will enlighten us on this—allowed us to take the initiative in moving concurrence in this report, and why the hon. member for Lasalle as chairman of the committee did not move concurrence in the report a few days after it was presented.

[*Translation*]

Mr. Gustave Blouin (Manicouagan): Mr. Speaker, I am happy to be taking part in this debate. I have no wish to delay the proceedings of the House, but I would like to say a few words about the motion of my friend the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle). Our districts have a common border. In those vast areas, needless to say that difficult problems do arise, not only with regard to transport and communications, but in many other fields as well.

I was a member of the committee on transport and communications and I was very happy to visit the area in the company of 20 other parliamentarians of various political allegiances who were able to find out on the spot that the problems to which I have just alluded do exist.

I will mostly discuss the contents of the committee report. I was pleased to hear the

devoted Minister of Transport (Mr. Jamieson) who spoke earlier say that he agreed with the report's recommendations.

In accepting that report the minister who represents Newfoundland must surely be aware of the gigantic developments in the constituencies of Manicouagan and Grand Falls-White Bay-Labrador. Now, should he feel that the recommendations in the committee report are too exhaustive, I must remind him that in my constituency the federal government gets $20 million a year in corporate income taxes.

• (12:30 p.m.)

Moreover, taking into account the recommendations of the committee, he would only make up a little for the huge amounts that the mining industry pays each year to the government.

A specific mention is made in the report about ferryboats. The minister said earlier that he did not know whether ferryboats were under the federal or the provincial jurisdiction. I know that after many efforts to secure a ferryboat service between the south shore and the north shore we have always been told, at least these last few years, that those ferryboats provided a provincial service and that, consequently, jurisdiction over them ought to rest with the province of Quebec.

The ferryboats system also comes under the federal jurisdiction, I think. In fact, all ferryboats in Canada, whether they are provincial or interprovincial services, have always been subject to federal interventions and in some cases, the federal government has subsidized them. I can hardly understand why this government would not do the same in an area where industry is very active and where ferryboats services are very much needed.

Mention is also of the ports at Baie-Comeau and Sept-Îles. I would like to say a few words about the latter. The committee members, including some opposition members, in particular the representative of the New Democratic party, came to visit the Sept-Îles harbour and they all agreed that it did not meet the actual requirements of maritime traffic.

For the past three years, in keeping with the recommendations, I have been trying to get a new dock for this seaport from which 25 million tons of ore were shipped last year, giving it first place for shipping volume. An increase of some four million tons is expected this year, which means total shipments of some 30 million tons.

[Mr. Blouin.]

It is therefore most urgent that another dock be added to the present port facilities and I again ask that the Minister of Transport try to convince of this necessity the Minister of Public Works (Mr. Laing) who over the past three years has been against the building of this new dock.

My colleagues from Newfoundland have commented on air transportation. I would add that some of the recommendations proposed extending the Baie-Comeau airport and I hope the minister will take good note of them.

When it comes to roads, I must say that everywhere the committee members travelled on this vast territory they expressed the desire that the isolated mining towns would be linked by a road network. I know that roads come under provincial jurisdiction, but if we examine the committee recommendations we see that they favor an agreement between the Newfoundland and Quebec governments in respect of road construction.

I think it is the responsibility of the federal as well as the provincial governments to get these very active and hard working populations out of their isolation. Once on the site, we talked a lot about roads. Of course, the committee then explained that the roads department came under the jurisdiction of the provincial government.

As far as the other transportation systems are concerned, the committee heard some evidence and received more than 60 briefs. The committee then replied to witnesses that television was the responsibility of the Department of Communications.

The inhabitants, who are increasing in number from year to year, in view of the gigantic developments, are still without a television network. I think the government should look seriously into this matter, which seems to have been the case for a few years, but they have not yet come up with any suggestion.

I am glad to note that the House accepts unanimously the recommendations of this report. In visiting my constituency the committee has done an excellent job. I am convinced that the people acknowledge that. They were pleased to see members of Parliament coming to them, as they are not usually want to do, in order to assess local problems.

In co-operation with the hon. member for Grand Falls-White Bay-Labrador, we often have to study various problems. He also has made recommandations. When this motion

was presented, I felt that the House should adopt it, and it did in fact do so. I wish to thank those who participated in this debate and who were all in favour of this report being concurred in.

[*English*]

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, very briefly, in supporting the motion the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) has put forward at this particular time, I should like to say that a few minutes ago the minister said he was prepared to accept in principle the recommendations that were made by the committee I believe this is only proper. He said the government would look at the recommendations, but there was a great need for consultation at all levels in so far as some of the recommendations were concerned.

• (12:40 p.m.)

I agree that there is a great need for consultation at all levels because this is the basis upon which our federal system operates. The recommendations of the committee cover every area of the territory that we visited. I would like to say that, in the short time I have been a member of the committee, I have never seen as much participation by members in those areas which we visited on the trip as was the case this time. I should also like to say that I believe it is most important, now that the recommendations have been made by the committee, that they be considered seriously by the department and that those people who will be responsible for implementing them be made fully aware of the observations that have been made at the meetings of the committee.

I think that we should give some thought to whether we should move concurrence in a report of a committee when the report is tabled in the House. I understand that this decision is not left up to the chairman. I appreciate the fact that the chairman himself cannot move concurrence in a report unless the committee members instruct him to do so. I think that when committee reports are tabled in the House concurrence should be moved, particularly when there is unanimity among the committee members. This is what we should think about seriously if we want to make effective use of committees in this House.

In conclusion, I should like to say that we in this party have no hesitation at all in supporting the report and recommendations of the committee fully. It is a privilege for me, on behalf of our party, to urge that this motion be adopted unanimously.

Mr. John Lundrigan (Gander-Twillingate): I will make one of the briefest speeches on record. I simply wish to go on the record as supporting the motion of the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) that the House concur in the fourth report of the Standing Committee on Transport and Communications. This is perhaps an unprecedented move in the sense that I understand it will be unanimously accepted by the House.

Mr. McGrath: With the qualifications of the Minister of Transport (Mr. Jamieson).

Mr. Lundrigan: This action by the House points out the value of an efficient, aggressive, competent, able, effective, determined and dedicated opposition. Perhaps if we were in the Newfoundland legislature—and the Minister of Transport will appreciate that—I would repeat the whole sentence because this is certainly a sentiment one eminent politician on the Newfoundland scene does not appreciate.

I simply wish to go on record as supporting the motion of the hon. member for Grand Falls-White Bay-Labrador. He has been very active in this area, and I think that the motion today for concurrence indicates his dedication to the report and the recommendations of the committee. I sincerely hope that the transportation problems in Newfoundland and Labrador will be at least partially solved as a result of the recommendations and that the government will take some initiative, not just play around with words as all governments and oppositions tend to do.

Some hon. Members: Question.

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

Motion agreed to.

Mr. Knowles (Winnipeg North Centre): May I suggest, Mr. Speaker, that we call it one o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock I now leave the Chair until 2 p.m.

At 12.45 p.m. the House took recess.

Agricultural Co-operative Marketing Act

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

AMENDMENT OF DEFINITION OF "AGRICULTURAL PRODUCTS"

The House resumed, from Friday, February 20, consideration in committee of Bill C-183, to amend the Agricultural Products Co-operative Marketing Act—Mr. Olson—Mr. Faulkner in the Chair.

The Chairman: When the committee rose on Friday, February 20, 1970, clause 1 of the bill was under consideration. Shall clause 1 carry?

On clause 1—*"Agricultural Product"*.

Mr. Danforth: Mr. Chairman, I wonder if the committee would be disposed to wait for a moment or two until the minister is able to be present because our questions will necessitate the information that is at the minister's disposal?

Mr. Macdonald (Rosedale): Mr. Chairman, I am almost tempted to respond to agricultural questions, but I think it more appropriate that my colleague, the Parliamentary Secretary to the Minister of Agriculture, should respond in this regard and I believe he is on his way.

Mr. Bell: Mr. Chairman, I think the President of the Privy Council is being too modest for once in his life because, although he does not know very much, he probably knows as much as the Minister of Agriculture about these problems. As an alternative, Mr. Chairman, perhaps the hon. member for Don Valley, who is in the Chamber with his notes, could give us a brief explanation of the white paper. I am only trying to be helpful.

Mr. McBride: Mr. Chairman, it seems to me some of the members opposite could use at least a brief explanation of it.

Mr. Gleave: I doubt that we could be any more brief than your own minister. He is having a fair time with it himself.

Mr. McBride: Brief and to the point.

[Mr. Deputy Speaker.]

[*Translation*]

Mr. Pepin: Mr. Chairman, I could make a note of the questions asked by hon. members and forward them to the Minister of Agriculture or his Parliamentary Secretary as soon as one of them enters the House.

[*English*]

The Chairman: I am certainly disposed to that suggestion if—

Mr. Stanfield: I did not hear it.

The Chairman: The suggestion was that the minister would take notes of any questions and transmit them to the Parliamentary Secretary when he arrives.

Mr. Stanfield: Surely, Mr. Chairman, we have not been reduced to that yet.

Mr. Baldwin: Mr. Chairman, I have a private member's bill in my name. We could probably dispose of that while we are waiting.

Mr. Bell: Even under the presidential system there is no provision for other ministers to take notes.

Mr. Pepin: I was just trying to be helpful.

• (2:10 p.m.)

Mr. McKinley: Mr. Chairman, I wonder if I could have the attention of the House leader. As we are not proceeding very quickly on this order of business, would he like to bring order No. 74 before the House, and we could have a vote on the amendment that was put thereto?

Mr. Baldwin: That is agriculture.

Mr. Macdonald (Rosedale): Mr. Chairman, I would be glad to take this opportunity to speak on agricultural matters, particularly as an Ontario minister and in view of the fact that this Bill C-183 deals with Ontario wheat and the Ontario wheat marketing situation. I am sure the hon. member would agree with some of the other hon. members who have spoken; for example, the hon. member for Norfolk-Haldimand (Mr. Knowles) and the hon. member for Wellington-Dufferin—

An hon. Member: There is no such riding.

Mr. Macdonald (Rosedale): —or whatever the riding of my hon. friend is, would agree with those hon. members that it is eminently desirable that Ontario wheat should be included in the provisions of this particular

statute. Therefore I would hope that if he has any commendatory remarks to make about the bill, or any suggestions as to the better administration of the Ontario wheat problems, he will do so and we will be most glad to hear him. If, of course, he has nothing to say on this question that is another matter, but we feel this is a valuable—

Mr. Baldwin: We don't like the Ontario corn we have been hearing.

Mr. McKinley: Mr. Chairman, I have a few remarks that I should like to make because I was not able to be here two weeks ago. I want to follow my remarks with a question to the minister that I would like answered, but I think we should wait until the minister is here; otherwise, my remarks would be useless.

Mr. Macdonald (Rosedale): The hon. member could have no more sympathetic ear than my own. I will be glad to bring to the attention of the minister what I am sure would be the well informed representations he will make. If he would like to start now, we will be glad to get him all possible answers to his questions.

Mr. McKinley: Mr. Chairman, this order of business was announced last night, so the minister had ample warning to be here and could have been prepared. It was thought this item would be brought on immediately after the question period, but another order of business superseded it. The minister has no excuse for not being here. If the House leader has a reasonable excuse for the minister not being here, he should give it to the House now.

Mr. Macdonald (Rosedale): Mr. Chairman, it was in conformity with a request received from the opposition that we went ahead with the motion in the name of the hon. member for Grand Falls-White Bay-Labrador. I agree with the hon. member that it would have been far more intelligent to proceed with the business as announced and dispose of this business at the regular time in accordance with the regular procedures of the House. However, we conceded priority to the hon. member and let him go ahead with his motion first, so the timetable has been upset. I am now in a position to announce that the Minister rather than the Parliamentary Secretary will be here shortly to listen to the hon. member's comments.

Mr. Baldwin: You should issue communiques every five minutes on his progress.

Mr. Bell: Mr. Chairman, I should like to refer to the remarks that were made by the House Leader last night, as recorded at page 4429 of *Hansard*:

> If this Parliament is a duller place it is because of the incompetent leadership which the other side has got from the Leader of the Opposition.

I want to say right now, for the record, that if this is an example of competent leadership from the House Leader, I think there is something that needs attention.

Mr. Macdonald (Rosedale): Mr. Chairman, so that the record will be clear in this regard, I repeat that the gentlemen on the other side are mediocre infantry badly led by an incompetent leader.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may I suggest that it would not hurt us just to sit quietly for a few minutes.

The Chairman: Yes, I think that is a very useful suggestion. There was a lengthy debate on this subject last night by the hon. member for Saint John-Lancaster—

Mr. Bell: Mr. Chairman, I do not like to waste time around here but I was wondering if somebody at the table could get a copy of Beauchesne to see if there is a precedent for this undue waste of time that has been brought about by the incompetence of the House leader. I think it is outrageous and I do not think it has ever happened in the history of this Parliament.

• (2:20 p.m.)

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder if I could suggest to the House that, in the absence of the Minister of Agriculture, we might rise, report progress, and agree to sit later this day. The second item of business for today could be called for which the Parliamentary Secretary to the Minister of National Health and Welfare is responsible.

The Chairman: Shall I rise, report progress and ask leave to sit later this day?

Some hon. Members: Agreed.

Progress reported.

RADIATION EMITTING DEVICES BILL

ESTABLISHMENT OF STANDARDS, APPOINTMENT OF INSPECTORS

Hon. Donald S. Macdonald (for the Minister of National Health and Welfare) moved that Bill S-14, respecting the sale and importation of certain radiation emitting devices, be read

the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

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

Mr. Monteith: Is the Parliamentary Secretary not going to say anything?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have the privilege, on behalf of the Minister of National Health and Welfare (Mr. Munro), of introducing in the House of Commons, for consideration by hon. members, Bill S-14, an act respecting the sale and importation of certain radiation emitting devices. This bill, which was introduced earlier this session in the Senate, was studied by the Senate Committee on Health, Science and Welfare and was given third reading and passed by the Senate on February 19, 1970.

In this age of rapid technological progress, we have witnessed, among other things, an electronic explosion. This technology, connected with electro-magnetic radiation and its many applications in the fields of medicine, industry, education and entertainment, has been accompanied by many dangers. The Department of National Health and Welfare has, for some years, been involved in the health aspect of the use of radioactive substances and recently has become increasingly aware of the need for control in the design and sale of devices which emit electro-magnetic radiation.

Bill S-14 deals specifically with the sale and importation of devices that may produce and emit dangerous radiation. It will enable the Governor in Council to establish minimum safety standards with respect to the design and construction of radiation devices not involving atomic energy or radioactivity, which are already controlled under the Atomic Energy Control Act. The purpose of the bill is to protect the public from a particularly insidious hazard; for example, exposure to radiation that may escape from the device and harm people in the vicinity.

Radiation is a broad term. The bill refers to electromagnetic and ultrasonic radiation. The radiation-emitting devices covered by this definition include x-ray machines, microwave ovens, laser generators and ultra-sound equipment. It also includes certain electronic devices which emit radiation as an unwanted by-product of their operation. None of these instruments, designed principally for scientific, medical and industrial use, are presently subject to federal control.

[Mr. Macdonald (Rosedale).]

The need for safety standards for radiation equipment has been recognized for many years. Radioactive devices are strictly controlled under the Atomic Energy Control Regulations. The other forms of radiation, equally dangerous, should be subject to similar safety restrictions. Many scientists in Canada and other countries have urged the necessity for this, and for good reason, because the effects of radiation on health are particularly serious.

It is well known, for example, that exposure to even small amounts of radiation can increase the incidence of leukemia and cancer and produce genetic damage. Although the experts in this field cannot give, in quantitative terms, a precise measure of the number of persons affected, they are convinced that even low level emissions, so-called "stray" or "leakage" radiation, adds in some degree to the statistical incidence of these diseases. The seriousness of these effects, even where the risk is low, makes it imperative to hold radiation emissions to the very lowest levels possible. To do so, standards must be set and maintained by regulatory control.

Particularly important is the provision of standards governing the design and construction of the devices. They apply before the device is put to use and constitute the basic first line of protection. It is with such standards that Bill S-14 is concerned. Proper design of equipment can often reduce unwanted exposures very significantly without impairing the usefulness of the device. Appropriate standards for this purpose have been recommended by scientists associated with the World Health Organization and other international agencies.

Not all these recommendations, even the very simplest, are being followed at the present time in Canada. In the case of x-rays, for example, a recent survey of dental x-ray units in the Ottawa area, carried out by the Department of National Health and Welfare, showed that a large percentage of the x-ray machines in use had one or more shortcomings, as judged by the recommended standard, which could result in unnecessary exposure to patient or to the operator.

• (2:30 p.m.)

Microwaves, in addition to their use in radar and communication networks, are finding extensive application in commercial equipment such as ovens and dryers. They are used in automatic food vending machines, restaurant kitchens and many industrial operations where fast drying or heating is needed.

Ill effects reported in humans include eye cataracts, blood changes and disturbance of the nervous system. Evidence of a statistical increase in the incidence of eye cataracts among persons exposed to microwave emissions has been documented.

To prevent such adverse health effects, international agencies have established recommended standards with respect to radiation emissions, that is, the leakage radiation. Nevertheless, in a recent survey carried out by the United States department of health, education and welfare, it was found that a substantial proportion of the microwave ovens tested emitted radiation in excess of the standard. The Department of National Health and Welfare is currently conducting a survey of ovens and dryers in the greater Ottawa area and has found some similar deficiencies.

Laser devices are now extensively used in hospitals and in industry. Furthermore, they are being sold to educational institutions as teaching aids. This type of device is relatively new and uses are being developed rapidly. The small, but very intense beam of laser light is known to be particularly harmful to the eyes. Clinical evidence of damage to the retina of the eye, caused by accidentally viewing inadequately safeguarded equipment, has been reported in the United States and in other countries.

Ultrasonic devices are finding many applications in medical practice and in industry. Until recently it was thought that the passage of ultrasonic energy through the body, as carried out in medical diagnostic procedures, is not hazardous, but recently there have been reports of experiments on animals which indicate an effect on growth patterns. There is also some indication that ultrasonic radiation can interact with reproductive cells in a way which could produce genetic defects.

The bill, therefore, covers a wide range of devices which are used primarily for industrial, medical and scientific applications. It will ensure that defective, sub-standard equipment is kept off the market. This, of course, is only one aspect of the radiation protection problem. Other aspects such as safe installation and operation are not dealt with in the bill because they come under provincial jurisdiction. Some provinces have already passed legislation along these lines. Bill S-14 can be considered as complementary to, not conflicting with, these provincial regulations.

Finally, I should mention that the bill is drawn in a way which envisages the introduction of regulations on a gradual, step-by-step basis. Specific categories of devices will have to be defined and standards established for each. There will be ample opportunity for discussion with manufacturers as to any modifications necessary to meet the standard proposed. This procedure is possible because the hazard is viewed as, principally, a long term one. Adverse health effects would be expected only after very long periods of exposure. Therefore, except in unusual cases, it is unlikely that the introduction of standards will necessitate immediate and drastic design changes in present models.

When Bill S-14, after receiving second reading in this House, is studied in detail by the Standing Committee on Health, Welfare and Social Affairs, I expect to introduce an amendment to subclause (h) of clause 2, changing the definition of radiation emitting device so that it will mean any device which emits radiation. In this way, devices such as television sets may be included in the regulations to the act if approved by the Governor in Council.

Bill S-14 is an important piece of legislation and one more step taken by this government, and particularly by the Department of National Health and Welfare, to protect the health of the Canadian people. On behalf of the Minister of National Health and Welfare, I commend this legislation to all hon. members, as it is in the public interest.

Hon. J. W. Monteith (Perth): I trust the Minister of Agriculture will remain here during this discussion. I see him behind the curtain. As long as he stays, it will be all right; we do not want to lose him now for another 25 minutes.

The Parliamentary Secretary has given an explanation of this bill. It will, of course be referred to the Standing Committee on Health, Welfare and Social Affairs where it will receive a careful and more detailed examination. I have read the bill and I do not find much there with which to quarrel.

The Parliamentary Secretary told us that this measure would cover X-ray machines, microwave ovens and certain laser beam installations. I can understand that danger might be involved in handling these things—that dangerous radiations might be emitted, and that some provision is necessary. The Parliamentary Secretary mentioned that surveys were being conducted in the Ottawa area and that some deficiencies have been

discovered. I agree that action should be taken to protect the public in this respect. I am pleased to note that, generally speaking, equipment presently in use will not be affected by the legislation. The Parliamentary Secretary intimated, to the best of his ability I gather, that most of the equipment presently in use would not have to be discarded. So, no monetary penalty will be incurred by present users.

I am wondering just where television sets might fit into this legislation. Would they come under the Hazardous Products Act, or would they be dealt with here? I was pleased to hear the hon. gentleman mention that the regulations would be brought in step by step, on a gradual basis. I note clause 12(2) suggests that reasonable opportunity will be afforded to manufacturers, distributors and other interested persons to make representations to the minister. We are in favour of this.

There is one clause, however, with which I have to disagree. I refer to clause 13, which simply means that an accused is guilty until he has proved his innocence. This seems to reflect a trend of thinking which has been developing in government circles. To my mind, this is not justice. I believe it is up to the Crown to prove guilt. The clause reads:

> In any prosecution for an offence under this Act, it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

• (2:40 p.m.)

This puts the onus directly on the accused to prove that he did not know his employee or agent might have been guilty of some offence. I think it is for the Crown to prove that the accused must have known. As far as I can see, the trend today in government activities is that the authorities seem to feel they, themselves, are above the law. The income tax department have been carrying on this way for years, and I just do not like it. We are putting the finger of guilt on the accused until he proves that he is innocent, something that I think is a very unfortunate, indeed a bad, trend.

With those few remarks I will resume my seat; when the bill does reach committee, closer examination of its details will be made.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a few brief comments to make on this bill. I too, support the principle of the bill and look forward to examining it in detail in committee. I have really one point only. I am not quite sure whether this bill will affect any equipment manufactured in Canada that emits radiation. In this regard, I am concerned for the good name of Canada abroad when equipment of this kind is exported . If the Parliamentary Secretary dealt with this point, then I missed it.

I suggest that if there is no law governing the matter, we should at least apply some pressure to make certain that equipment manufactured in Canada and sold abroad must conform to some sort of regulation. We have a large stake in export markets abroad. Certainly, as far as export sales are concerned, I wish that the Minister of Industry, Trade and Commerce (Mr. Pepin) would get busy and sell some atomic energy plants.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT

AMENDMENT OF DEFINITION OF "AGRICULTURAL PRODUCTS"

The House resumed consideration in committee of Bill C-183, to amend the Agricultural Products Co-operative Marketing Act—Mr. Olson—Mr. Richard in the chair.

The Acting Chairman (Mr. Richard): Order. When the committee rose on Friday, February 20, 1970 clause 1 of the bill was under consideration. Shall clause 1 carry?

On clause 1—*"Agricultural Product".*

Mr. McKinley: Mr. Chairman, this is one amendment to the act with which I think most of us will agree, particularly the wheat producers in the province of Ontario, because it was at their request the minister brought forward the amendment. Most of the remarks that I might have made today were made previously in the House, I believe two weeks ago today, so I will not take the time to cover old ground.

However, further to anything that was said on that day, I should like to put a couple of suggestions to the Minister of Agriculture, who I am glad to see has been able to make it to the House. Perhaps I should make a speech for a few minutes on the problem of keeping a well-run and well-managed House, though a lot was said about that yesterday.

Mr. Olson: You will be sorry if you do.

Mr. McKinley: The experience of today only proves that much that was said yesterday by opposition members was quite correct. However, I am not blaming the Minister of Agriculture.

Mr. Osler: Would the hon. member permit a question. I do not know whether or not we are on the subject, but is he talking about hogwash?

Mr. Danforth: Yes; the hogwash you hear from that side of the House.

Mr. McKinley: Only the people here who come from "Hogtown" know about hogwash.

Mr. Knowles (Winnipeg North Centre): On a point of order, the hon. member for Winnipeg South Centre does not come from "Hogtown".

Mr. McKinley: Recently in the House it was announced that assistance would be given to the western wheat producers not to grow wheat. I take no exception to that at all, though I doubt very much whether the proposals that were announced will do the job the government intends them to do. Be that as it may, a certain amount of money is going to be spent in assisting western wheat producers.

The Wheat Producers Marketing Board of Ontario feel that the wheat producers of Ontario should not be left out of the picture altogether. In view of the government's failure to sell western grain, it is becoming quite obvious that many western farmers are going to diversify and go into some other type of farming operation, mainly the feeding of livestock. This will no doubt create a hardship for the eastern farmers by diminishing the traditional role that they have considered to be theirs.

• (2:50 p.m.)

This was part of the reason Eastern farmers requested this amendment to allow the minister to guarantee loans to the Wheat Producers Marketing Board of Ontario, who will make initial payments to farmers. This guarantee of initial payments will be, in effect, a floor price. The Wheat Producers Marketing Board of Ontario has done a tremendous job of moving the wheat that has been grown by the producers. Oftentimes, in fact most of the time, all this wheat has to be kept in storage for considerable lengths of time until markets can be found. When markets are found, it is helpful if there is a considerable amount of wheat in storage to fill these orders. This is the traditional method of marketing that has developed in the last three years.

A charge of 17 cents a bushel is deducted to pay the storage costs. This amount has been sufficient to cover the cost up to now, but beginning in the next crop year 17 cents a bushel will not be sufficient to pay the storage costs and also fulfil the subsidized contracts for export sales that are necessary to move the wheat. Because of this fact a request has been made by the Ontario Wheat Producers that Ontario grain, particularly wheat, come under the Temporary Wheat Reserves Act in order that government funds could be used to pay part of the storage costs that are entailed in the marketing of this wheat.

I should like to ask the minister if it would be possible, under this legislation, for the government to pay a certain portion of the storage costs that are necessary in the marketing of wheat from Ontario. Really, we are asking for no more than the western wheat producer receives. I believe the government pays the storage charges on everything over 178 million bushels, which would mean at the present time it is paying the storage charges on close to one billion bushels. I do not think this is too much for the Ontario farmer to ask. I should like to ask the minister, either now or at some later time, to give us an indication of the possibility of something like this being done to assist the eastern producer.

Mr. Olson: Mr. Chairman, I should like to apologize to the committee for not being here when this item was being considered at two o'clock or shortly thereafter. For the information of those who are interested in agricultural matters, I was at a series of meetings today, starting at nine o'clock this morning with the Canadian Dairy Commission and the Canadian livestock feed board for a number of reasons which I will not explain now.

In respect of the question that has just been raised by the hon. member for Huron, there is under Section 4 of the Agricultural Products Co-operative Marketing Act, a provision where the minister may, with respect to any agreement under this act and with the approval of the Governor in Council, prescribe variations in the initial price and that sort of thing. It also includes the maximum amount that may be allowed under the agreement for processing, carrying or selling costs with respect to the marketing of an agricultural product.

We are talking specifically about wheat grown in Ontario, which this amendment was designed to cover, so these things can be taken into account in the agreement that is made between the minister, under the authority of this act, and the Ontario Wheat Producers Marketing Board. It seemed to me that the hon. member was not putting the question exactly in that context. It seemed to me he was asking whether we could use the authority of this act to directly pay the storage charges on that wheat. If that was the question, as I understood it, the answer is that we cannot use the authority of this act for that purpose. What we can do is take into account these other costs such as storing, and I will repeat them, processing, carrying and selling. Those costs can be taken into consideration when we agree to the guarantee, that would be provided by this act.

Mr. McKinley: I thank the minister for his answer. I should like to ask whether it would present a different picture if the Ontario Wheat Producers Marketing Board became an agency marketing board?

Mr. Olson: It could, but, of course, as I understand it, some subsequent action by Parliament would be necessary to provide for a direct payment for storage. As my hon. friend knows, in the other case he referred to the authority given there is specifically contained within the Temporary Wheat Reserves Act which was passed by this House in 1956.

Mr. McKinley: Could Ontario wheat not come under that Temporary Wheat Reserves Act?

Mr. Olson: No, not unless that Act were amended.

Mr. Danforth: I have some specific questions I should like to put to the minister which are not in opposition to the amendment. I think there should be more definite information available to those who will be affected by this amendment. If I could get it on the record we might save a lot of time and worry perhaps in future considerations.

I should like to ask the minister, first, since initially the request for this amendment was forwarded by the Ontario Wheat Marketing Board, is it possible for the Wheat Board and the wheat producers to take advantage of the initial payment provided for in the regulations and the bill, without having other aspects of their activities regulated and regimentated? I think the farmers and producers would be interested in knowing, through the minister, whether they are in a position to request money from the government for the initial payments on this type of wheat, or are there strings attached?

Mr. Olson: As I understand it, Mr. Chairman, I cannot accept the word "regimentation" and all of the others involved in this at all. All this bill is designed to do is provide them with a government guarantee so they can obtain the credit to make the initial payments. The minister, under this act, is required to make sure that the security is sufficient to take care of that guarantee, taking into account, I believe it is three years marketing returns from this crop. He is obliged to make certain that the initial payments are set in compliance with the performance of the market for the three years previous, and take into account such other things as are spelled out in the measure, when entering into a contract with the marketing board on behalf of the government of Canada for the funds that are used in the initial payments.

Mr. Danforth: In the latter part of the minister's statement I think he started to get at the crux of the matter as far as producers are concerned. I am familiar with the terms of the act. It seems to me, if I understand it correctly, that if the producers in Ontario are prepared to accept loans under this bill for the initial payments, it also follows that no subsequent payments can be made until they receive the consent of the minister. When these initial payments have been made—and this is one regulation I will refer to—is there also not an implied provision that the minister and his department then concern themselves directly with charges incurred in transporting, storing, processing and handling of grains?

• (3:00 p.m.)

Mr. Olson: Not on a day-to-day or month-to-month basis, Mr. Chairman. We are concerned about following the operations not only of the Ontario Wheat Producers Marketing Board but of all other boards which from time to time ask to be brought under this act. All we are interested in is that there be sufficient security left for the initial guarantee. If at any time during the year the Ontario Wheat Producers Marketing Board would want to make a further payment, or indeed a final payment to the producers, our interest would be to make sure there is not a deficit in the pool, so that the guarantee is taken care of at the end of the marketing season for whatever crop is involved.

If, at any later date after the initial payment has been made, the board could indicate it had surplus funds that it wished to disburse or pay out to the members, and there were still assets in the pool after the payment of the initial guarantee, we would have no objection to the board making that disbursement.

Mr. Danforth: Mr. Chairman, I appreciate the courtesy and patience of the minister. I am trying to have the facts placed on the record so they may be available to the producers. As I understand it, under this act the initial payment does not necessarily have to be 80 per cent of the value of the product, but no initial payment could be instituted or promoted by the pool or marketing agency without direct consultation and agreement with the Department of Agriculture.

The initial payment does not necessarily have to be 80 per cent; it can be 20 per cent, 35 per cent or 70 per cent of the estimated value of the crop. This would mean that the farmers would receive the agreed initial payment which could be 60 per cent of the market price, and there would be no further payment except through consultation between the operators of the agency and the minister at a subsequent time which could be three, five or eight months later. This is the type of regulation I am trying to have the minister explain, for the benefit of those who will have to consider whether or not they wish to accept it.

Mr. Olson: I am not quite sure I understand the hon. member. Is he suggesting that after the agreement had been signed in respect of the initial payment a situation would arise whereby there would be a deterioration in the value of the crop so that a substantial change would be required? If this is the question, I suppose the Ontario Wheat Marketing Board would be interested in taking whatever action may be appropriate to make sure that their initial payment was not continuing at a rate in excess of what was considered to be fair taking into account the value or the then amended value of the crop.

Mr. Danforth: Mr. Chairman, in pursuing this matter further—

Mr. Olson: If I may, Mr. Chairman, I should say that I have been advised we have never found ourselves in a position under any of these agreements in which we have had to ask the agency to lower, or even where the board has asked us to lower the initial payment part way through the selling season.

Mr. Danforth: There is another problem that disturbs me in considerating this matter. Perhaps I might put the question in two parts. If there should be a disposition on the part of the eastern producers to accept this proposition, will they not of necessity be forced into some sort of pooling arrangement? Second, as I understand it, very often there are varying grades of wheat even here in eastern Canada and some grades may be sold even below the initial price. If there should be additional sales in one grade, is it not within the power of the minister's department and the agency to divert this money to the government coffers in order that the government regain its initial payment? From my understanding of the act it would seem that if some grades sell at greater than the initial payment, and other grades sell at lower than the initial payment, there is recourse for the government under this particular proposition.

Mr. Olson: Mr. Chairman, in reply to the first part of the question may I say that that is very definitely so. There would have to be pooling by the producers who sell to the Ontario Wheat Marketing Board. Indeed, that is the sole purpose, not only of this amendment but of the Agricultural Products Co-operative Marketing Act. When it was passed in 1939 it was called an act to assist and encourage co-operative marketing of agricultural products.

In response to the second part of the question concerning what would happen with regard to the value of various grades, and what would happen in respect of the pay-out or transfer of money among those various grades, certainly the money would not come to government coffers but there might be some money from certain grades, depending on when the sale was made at a higher price, that would find its way into the pool of the agency during the season. But that, of course, is based on the assumption that there would be a loss on a pool.

When I talk about this matter I am talking about receipts for the whole pool in excess of the total initial payment. If there should be an excess in the pool over the initial payment, the agency would have authority to make a final payment or an interim payment that would vary from grade to grade taking into account the selling price of the various grades. But in the case where there would be a loss on the over-all pool—and just to repeat, that is when the total amount of the receipts from the pool would be less than the total amount of the initial payment—of

course this would have to be taken into account. It would not come into government coffers but, of course, it would be in the agency's treasury.

I suppose that is why the limit is 80 per cent of the value of these crops for the last three years, so that the initial price can be as high as possible without there being too much of a risk of paying out more on the initial payment than the final price would be. So the answer to the first question is very definitely yes; pooling is the whole idea of this act. In respect of the second part of the question, I do not see any problem if there is not a deficit in the pool. If there should be a deficit in the pool, I suppose some of these arguments could be made.

Mr. Danforth: Mr. Chairman, I have one further question, if I may have your indulgence. I can see that the farmers certainly would expect that the working of this system would be in the form of a pool. Under this act, and within the prerogative of the agency, is there the power, or could there be the power to set up definite quotas? I wonder whether the minister would, for the record, repeat what he said. Since this legislation comes under provincial jurisdiction, no agency can be set up without the whole matter being referred to the farmers by way of a plebiscite. Am I correct in this assumption?

• (3:10 p.m.)

Mr. Olson: With regard to the first part of the question as to whether this act would automatically set up quotas, the answer is no. I think that the terms and conditions under which the Ontario Wheat Marketing Board operates now would be, in effect, that if they decided to have quotas there would be a sharing of the available market so that one farmer would not be able to deliver 5,000 bushels and another 500. But that is not part of this act; it is within other regulations.

In so far as a plebiscite is concerned, I am not quite sure about that. I would say, off the top of my head, that to set up a marketing agency for any commodity under Ontario law requires some kind of plebiscite. Whether that is true in all cases, I do not know; but I think that that process has already been started in so far as the Ontario Wheat Marketing Board is concerned. We would not require any further plebiscite for the Ontario Wheat Marketing Board to enter into a contract with us so that we would guarantee them some money for an initial payment. As I said, I stand to be corrected on that because I do not know what the terms and conditions of their rules are, but I think that a plebiscite to set up the marketing board in the first instance was held some time ago.

Mr. McKinley: My understanding is that no type of marketing board will be set up for Ontario wheat without a plebiscite first being held. This is the assumption under which the Ontario Wheat Producers Marketing Board is working at present. With regard to some of the remarks I made earlier, the minister stated that an amendment would be necessary to the Temporary Wheat Reserves Act in order to have Ontario wheat storage charges supplemented by the government in a similar fashion to the western wheat storage charges. I ask the minister if he would be prepared, at the request of the Ontario Wheat Producers Marketing Board, to bring forth such an amendment with a view to providing assistance in respect of wheat storage charges.

Mr. Olson: That rises a completely new dimension that has no application within this act. I am not prepared to give a categorical answer to that question in the context of this debate.

Mr. McKinley: I should like to ask the minister, then, whether this request has been put to him by the Ontario Wheat Producers Marketing Board.

Mr. Olson: I do not recall that it has. I am not saying that it has never been included in any of their briefs to me, but I do not recall that this kind of request has been made. There is one other thing I should say. When we enter into this kind of agreement at the request of any commodity marketing board, we do in fact have consultations with the Ontario Farm Products Marketing Board or with any other specific marketing board.

Mr. Gleave: Mr. Chairman, the hon. member for Huron mentioned that under the Temporary Wheat Reserves Act the government was paying storage on a billion bushels of wheat. I am sure he would agree with me that this figure should be corrected for the record. Someone said there is a billion bushels of wheat out there. There may or there may not be that much—I do not think anyone knows for sure—but much of it is held in the farmers' hands. I am not sure how much is in the process of being handled at present, but the storage payment is made on what is in store at the end of the crop year.

If the minister would care to comment, he could probably give us an approximate figure. I do not know whether he carries that information in his head, but the figure would not approach a billion bushels. I can understand the concern of the Ontario people about setting up this system and knowing for sure how it works, when out west we are looking at a Wheat Board marketing system which is now going to go into wheat production control in a fairly large way and direct the amount of production in that area without the benefit of a special act of this House.

We are going to institute a radical change in the nature of our farming. This may or may not be true of the Ontario wheat producers. The Ontario farmers are more fortunate than we are, in that they have a larger number of options open to them in terms of production, due to the nature of their land, the environment and the fact that they operate very close to a large market. I thought some light might be shed on whether the Department of Agriculture or the Department of Industry, Trade and Commerce gives any assistance to the Ontario Wheat Marketing Board in marketing their products. Do they help them find markets?

A statement was made here not too long ago that an opportunity for a substantial sale in the United Kingdom market was not exploited. I wondered at the time what aid was given to this agency to seek out markets. I would be very pleased if the Minister of Industry, Trade and Commerce or the Minister of Agriculture would comment on this matter.

Mr. Olson: There have been a number of cases in which the Department of Industry, Trade and Commerce has been very helpful in promoting, and instrumental in completing some significant overseas sales of Ontario wheat. Last year it was Syria, but there are a number of other cases in which I know they have been involved.

Mr. Gleave: I recall that the other day I had an opportunity to glance briefly at *Hansard* wherein it was mentioned that there are a few other products, although not very many, which have received marketing assistance under this act. It seems to me that in the past there has been sometimes intervention on behalf of a group of producers when they needed assistance. I am wondering if it is the intention of the Department of Agriculture to use this act more extensively in assisting farmers. There is in my constituency a small group of farmers who are interested in marketing potatoes. They were in that business for a short period of time but had some difficulty. The storage facilities are still there.

• (3:20 p.m.)

A request went to the department for assistance for this type of operation. I talked to the deputy minister about it on the phone. I wonder what is the attitude or approach of the Department of Agriculture to this type of application. Are they actively encouraging the expansion, in these areas, of the use of the act—that is, in small, isolated areas? I think this would be a fair way to put it. Are they actively encouraging the use of this act under these kinds of circumstances?

Mr. Olson: Mr. Chairman, the provisions of this act, of course, are open at all times to commodities that are sold under a co-operative arrangement. All of those things are listed in clause 1 (a): milk and milk products, vegetables and vegetable products, livestock and livestock products, fruit and fruit products, poultry and poultry products, honey, maple syrup, tobacco, and any other product of agriculture designated by the Governor in Council. So there is no limitation there.

At the present time, as has been pointed out, we have contracts for this kind of credit for processing apples in Quebec, and for white beans and yellow-eye beans in Ontario; but it has been used over the years from time to time for such things as forage crop seeds, potatoes, ranch-bred fox pelts, fresh apples, apples for processing, maple syrup, tobacco and beans. So it is available. But there are certain conditions such as administrative arrangements that are necessary to pool this product and to make an initial payment on it. That is what the measure is designed for.

With respect to the other part of the question as to whether we encourage it or not, certainly when I talk to vegetable-growing co-operatives, for example, I remind them that we have this act and that we are prepared to discuss and negotiate with them some kind of a contract so that it can make an initial payment. This, of course, is aimed at relieving some of the pressure at harvest season so that one farmer does not reduce his price substantially in the short run, because in our view there are many cases where it is advantageous for these crops to be pooled and sold at a uniform price. That is sometimes a better price, or a more beneficial price than the very low prices at harvest time when everybody is

rushing to market with their crop, whatever it happens to be. They get a substantially higher price at some other period of the year.

So that while we have not got an active campaign going, we do in fact remind these boards and commissions that this act is in place and we are prepared to discuss with them the arrangements that would be necessary to have a uniform price paid to all the producers who belong to the co-operative or the pool.

Mr. Gleave: Mr. Chairman, I notice the minister said "boards and commissions." What is the minimum number of farmers who can form themselves into a co-operative? I assume that a co-operative can take action under this act. Is that right?

Mr. Olson: We do not have a minimum number but what we have to look at is whether the volume of production that is in the hands of these people who wish to make application is sufficient so that it will have an effect on the market; in other words, so that it will work.

Mr. Gleave: Then I take it it would not apply, or would not be made to apply to a small group of vegetable producers or potato growers who were in an isolated pocket, as it were, who would not be able to affect the market structure as such. Am I right on that? I would like to have this matter defined, Mr. Chairman, because, as I say, a specific group of producers requested from the minister's office information on how to do this sort of thing. I would like to know whether a group of producers can do it.

Mr. Olson: Mr. Chairman, if the hon. member will look at section 3(6) of the Agricultural Products Co-operative Marketing Act he will note the following:

> No agreement shall be made under this section unless the co-operative plan applies to such a proportion of the primary producers within a certain geographical area or to such a proportion of an agricultural product produced in such area that the minister is of opinion that the marketing of the aforesaid agricultural product under the co-operative plan will benefit the primary producers.

That means, as I understand, it, in layman's language that the geographical area, whether it is large or small or whether it is isolated or not, is not the particular point—but there shall be enough producers within that geographical area, however small or large it may be, that it will be of benefit to the primary producers within the area. If there were an insufficient number of primary producers in the co-operative who were selling their product into the pool, so that some or many of their neighbours were able to do things that were not of benefit to the producers and frustrated the co-operative effort of the producers, I suppose we have to be of the opinion that it would not benefit the primary producers to attempt to hold their product and sell it in the market on a gradual basis, assuming there would be some time later a price better than that available in the harvest season. We would have to take that into account, but I do not believe it excludes a small area if there is in the area a sufficient number of producers who agree to pool their crops.

Mr. Gleave: I thank the minister for his explanation. I think he is being as clear about it as he can. But I point out that one of the people in his department suggested that if the people applying, after carefully studying the act and the commentary decided it might be feasible under the act, they should make a request of the minister.

Mr. Olson: That is right.

Mr. Gleave: I think some clarification might be useful with respect to this type of application, so that if there are only half a dozen people involved they will not spend a lot of time and effort trying to come under a system that does not apply to them.

Mr. Olson: I do not think there is necessarily very much time and effort, or indeed expense, involved. It is very difficult for us to give a definition of the whole of the clause in order to provide for all the variations that could in fact emerge from among the wide variety of crops covered. But if that group, no matter how large or small it may be, could give us an outline of the plan it has in mind for pooling—for selling, if you like—their total crop, I think we could give far more specific answers more in line with what the hon. member is asking than we could without having any conception of what the producers have in mind.

• (3:30 p.m.)

Mr. Howe: Mr. Chairman, I should like to make a few remarks on this first item of the clause, though I did speak on it on the former occasion. Before doing so, I might say I was rather interested in the explanation the minister gave with regard to his delay in getting to the House today. He inferred that he was at a series of committee meetings that might have something to do with a dairy policy—

Mr. Olson: Yes, that is right.

Mr. Howe: —that is going to be announced one of these days. In that connection, I hope the minister will take cognizance of the recent press release issued by the Minister of Industry, Trade and Commerce to the effect that skimmed milk powder on world markets is selling at a much better price. There was a paragraph in the release which said that due to this fact, the dairy farmers in Canada will be much better off. I hope that when the policy comes out the $10 million that has been extracted from the dairy farmers of Canada will be put back in, due to the fact that skimmed milk powder is selling at a better price in world market. That statement is right in the press release. Perhaps the minister had better read it next time before he sends it out.

Mr. Olson: The exaggeration may be in the interpretation.

Mr. Howe: It is right there. In regard to the legislation before us, I share some of the skepticism that has been shown in this House, not only by Ontario members but also by the hon. member for Saskatoon-Biggar who has had a great deal of experience with pooling, order permit books and legislation of all kinds that has entered into the lives of the people in the western provinces with regard to the wheat problem.

This problem has been accentuated in the last year because the government has not sold wheat the way it should have and has left it piled up on the farms and the railroads. Now the government is entering into a program of deciding how much wheat is to be grown in designated areas and is going to pay farmers not to grow grain. There is a story about the same kind of program that was carried on in the western United States. A chap from that area came to visit me, and when I asked how many acres he had, he said he had 800. I asked, "All in crop?" He said, "No, it is in the soil bank and the government is paying me for not growing it." "Oh", I said, "then you are not growing any?" He said, "Oh, yes; I rented a farm across the road."

This is what happens under government control and with the government interfering in people's lives. This is the feeling we have sometimes about legislation such as this. In this connection, Mr. Chairman, I should like to ask the minister about the last item in this bill. This bothers me because it almost indicates that never again will legislation such as this have to appear before the House. It reads:

> any other product of agriculture designated by the Governor in Council;

I ask the minister if this means what I think it means, that the Governor in Council is once again interfering in the lives of the farmers of Canada by deciding which of his products will come under this marketing authority.

Mr. Olson: No, Mr. Chairman, it does not mean that at all. That was put in the act in 1939 and it is not up for amendment now.

Mr. Howe: Then it should be removed from the act, because it says:

> any other product of agriculture designated by the Governor in Council;

In other words, does that mean that any other product, whether wheat, oats, barley, rice or anything else, can be brought under this measure by the Governor in Council?

Mr. Olson: Yes, Mr. Chairman, it does. But the government does not bring it under this act. The only thing that happens under this act is when farmers producing a certain commodity band together in a pool or co-operative agreement and come to the Minister of Agriculture, and through him to the Governor in Council, to ask that the particular commodity in which they are interested be made eligible for a guarantee by us so that they can make an initial payment to the farmer. That is all.

There is no possibility, and it has never been done in 31 years, that the government would impose this provision upon anyone. The initiative is completely in the opposite direction. That clause is in there so that if there is some other commodity that does not fit any particular definition, it would not be completely excluded. There is no possibility that the government is going to include a commodity under this act for any purpose except at the request of the co-operative marketing agencies.

Mr. Howe: That may be so, Mr. Chairman. Probably this is correct and this government would not consider anything of this type.

Mr. Olson: Nor would any other government.

Mr. Howe: My first question is with regard to the dairy policy that is coming up. Will the minister give consideration to this news item

sent out by the Minister of Industry, Trade and Commerce and look again at that $10 million?

Mr. Olson: It is not under this act. The hon. member knows very well that is completely irrelevant to this act.

Mr. Howe: The minister put that in himself when he came into the House and was trying to explain why he was not here earlier. I have a perfect right to discuss dairy policy.

Mr. Olson: Not in my view.

The Deputy Chairman: Order, please. The hon. member for Victoria-Haliburton.

Mr. Scott: Mr. Chairman, I have one question I should like to ask the minister. If this act goes into effect, will it remove the possibility of wheat being placed under the stabilization act for establishing a floor price?

Mr. Olson: No, Mr. Chairman.

The Deputy Chairman: Shall clause 1 carry?

Mr. Danforth: No, Mr. Chairman.

The Deputy Chairman: The hon. member for Kent-Essex.

Mr. Danforth: Mr. Chairman, the minister's remarks have created some doubt in my mind and I should like an explanation. I am always suspicious of the fine print in bills which says "and other regulations as may be prescribed from time to time by the Governor in Council". These regulations that are prescribed from time to time, mostly when Parliament is not sitting, cause great concern to many members on this side of the House. The minister stated that initial payments may be anywhere from 35 per cent to 80 per cent of the estimated value of the product to be disposed of under this agency.

Under this avenue producers could be bound by pooling, by quotas, by accepting directives as to where they may send their produce, when they may deliver it and other regulations which could be prescribed under the terms and powers of the Ontario Wheat Marketing Board. Would the minister indicate what advantage this is to the wheat producers of eastern Canada, if initial payments are based on the equity of the crop, over the Ontario Wheat Marketing Board itself going to the bank and obtaining moneys without all these other regulations being entailed?

[Mr. Howe.]

Mr. Olson: Mr. Chairman, that is a decision the Ontario Wheat Marketing Board would have to make. I know they have asked us if we could amend this act so that they could be included, because the result of the provision in the act away back in 1939 excluded them. They seem to think there is some advantage to them in having the credit guaranteed by the Minister of Agriculture under the authority of this act, or they would not have asked us.

I think all the other questions the hon. member has raised should be referred to the Ontario Wheat Marketing Board, because they make the regulations. Under this act, all we need is to be satisfied that the initial payment, the part that we guarantee, is such that on a reasonable prediction, and taking into account the value of that product for the last three years, it is reasonably secure. That is all there is to it. On the other part of the question, Bill C-183 does not call for any changes in the authority to make regulations. All it calls for is the amendment so that wheat grown in Ontario can come under the act. It is as simple as that.

Mr. Danforth: It is not as simple as that, Mr. Chairman. The fact remains that the minister has not indicated the advantage in obtaining the money through the government compared with obtaining it through the bank. Is it not true that the government guarantees the initial payment? Somebody has to pay interest on the moneys involved. Are the guarantees through the banks? Who pays the interest? Is it subtracted from the payments made for the product itself? These are questions that concern me.

• (3:40 p.m.)

There is another question, Mr. Chairman, which deeply concerns me. The minister stated that a request was made under this act by the wheat producers. The request for this change was made by the directors of the Ontario Wheat Marketing Board. I am sure the members have confidence in the board. I am very disturbed about the implication that because the producers of Ontario, eastern Canada, and areas of British Columbia are now under the jurisdiction of the Wheat Board, by a simple amendment—the addition of one word in this act—they can be saddled with pooling and with quotas.

Mr. Olson: That is wrong.

Mr. Danforth: They can be saddled with an initial payment.

Mr. Olson: No.

Mr. Danforth: The minister indicated this afternoon that all these things are possible.

Mr. Olson: I know the hon. member is reasonable, but the point he has completely overlooked is that they must apply to us. We do not ask them to form these boards or, even if boards are in existence, to come to us. All this bill does is provide us with authority to make a guarantee for the finances they require to make the initial payments. The initiative to do that is with them. It does not change the quotas, areas, constitution or terms and conditions of a co-operative marketing board: all it does is give us an opportunity to provide them with funds for an initial payment.

The hon. member asked what advantage this would be. I suggest the advantage would probably be that they may get a slightly more favourable interest rate if the government of Canada guarantees the credit. I suggest they might even be able to get a larger amount of credit if it is guaranteed by the federal government. Most members of the Ontario Wheat Marketing Board think these advantages would be desirable in their operations to maximize their returns to producers.

Mr. Danforth: I appreciate the patience and the courtesy of the minister, but I think this matter should be clarified for the benefit of the producers. What the minister says in the main is correct, but the fact remains that this change in the act enlarges the powers of the Ontario Wheat Marketing Board to such a degree that they are in a position to establish initial payments. Under the provisions of the provincial act they are unable to establish quotas and all the other regulations I have outlined. Without this amendment they could not establish an initial quota or an initial payment.

In effect, this act will make it possible—not probable—for the wheat producers in eastern Canada to find themselves in the same position as the wheat producers in western Canada. If the minister is correct in stating that the marketing board is not changed and can negotiate with the federal government to this degree, I point out that this can be done without other producers in Ontario being able to indicate through a plebiscite whenever they wish it.

I wish to raise one more point before the minister replies. Under the provincial marketing scheme, if there is a petition by the growers for a plebiscite on the question of dissolving a particular marketing agency, the provincial government will grant it. If I understand the terms of this act, if the government has guaranteed loans and made an initial payment it certainly will not be disposed to having a plebiscite held to abandon a marketing scheme. If there is a loan from the goverment on initial payments and an equity on the crop of the growers, is it not a fact that a vote or plebiscite under those conditions could not be entertained?

Mr. Olson: The Ontario wheat producers can do anything they like within the rules and the law, so long as this money is repaid or the liability of this guarantee is removed. That is all. We are not suggesting that they have to change. If the hon. member is under the impression that this act will do a terrible disservice to the Ontario wheat producers either directly or indirectly, we should take another look at it. However, I think all it is doing is removing the provisions of the act which exclude Ontario wheat even if an application were made to us. It is not changing anything else.

Through a series of changes to the Canadian Wheat Board Act over the last 30 years, the Ontario producers of wheat have been excluded. As I explained in my opening statement, Ontario wheat was included in the Canadian Wheat Board Act, in the first instance, before the war. There was an amendment in 1947 or 1948 which removed Ontario wheat from the designated area under the Canadian Wheat Board Act, but this act still excluded wheat. What we are now doing is changing it to mean any kind of grain other than wheat that is grown in the designated area of the Wheat Board. Therefore, Ontario wheat is not automatically excluded. That is all it is.

I fail to see the relevance of the hon. member's contention that this change will do a disservice to the wheat producers and the Ontario Wheat Marketing Board. All it is doing is giving authority to make the provisions of this act available to the Ontario producers in the same way as all the other products that are listed under clause 1, and under the same terms and conditions as the other commodities listed in clause 1.

We are not asking them to change their rules respecting quotas, etc., but if they make application to us for a guarantee of the money to make an initial payment, we will now be able to do so. If this amendment is not made to the act, we will have to say that wheat has been excluded, including wheat

from Ontario. It is also involved in the exclusion. We are trying to tidy up the act so these people can have access to the same kind of financing, under the same terms, as producers of the other commodities; that is all.

I fail to see where there is any disservice to them. They indicated it will be of help. Even if we change the act, if they collectively agree they do not want to make application for the guarantee, there is no change. They just do not make it. However, if we provide a guarantee and there is a great deal of money loaned, we have to protect that money by security. Perhaps that could be done by having the security of whatever volumes of wheat were in any position. Our only terms are that we be able to recover the initial payment made; that is all.

Mr. Danforth: The initial concern I am expressing is that now producers of wheat are able to make the decision as to when they will sell their wheat, what price they are willing to accept for it, where they shall deliver it, whether they want to store it and for how long. My fear is that once this system is entered into, the farmers will lose much of the power they have over their products. We have seen this happen before. On many of the commodities already under this act there are very strict provisions as to the allocation of tobacco, for example, and the agencies have definite control over the disposal of products.

• (3:50 p.m.)

I would not have felt this concern had I received an assurance that the farmers will be able to see the regulations and then determine whether to accept them. Had the facts been placed before the farmers, I would have been perfectly prepared to let this bill pass. Perhaps we could get further ahead if I were to ask the minister a few questions in this regard. Can the hon. gentleman give me an assurance that under the terms of this bill, as it will be administered in conjunction with the provincial act, farmers will not be prevented from selling their wheat to whatever purchasers they wish; that they will not be restricted by quotas; that they will be able to sell through whatever agency they may be disposed to select; and that they will be subject to no restrictions beyond those presently in force?

Mr. Olson: Those are all valid questions, Mr. Chairman, but I do not think they should be addressed to me; they should be addressed to the director and personnel of the Ontario Wheat Marketing Board. The hon. member is implying that somehow or other I can intervene as between the producers and the Ontario board. I must tell him I have no such authority, nor am I disposed to be placed in such a position.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

The Deputy Chairman: Shall the bill carry?

Some hon. Members: Agreed.

Bill reported.

Mr. Olson moved the third reading of the bill.

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

Mr. Danforth: On division.

Motion agreed to and bill read the third time and passed.

[*Translation*]

The Acting Speaker (Mr. Béchard): Order, please. As it is four o'clock, the House will now proceed with private members' business as listed in today's order paper, that is to say, public bills.

[*English*]

PRIVATE MEMBERS' MOTIONS

Mr. O'Connell: I rise on a point of order, Mr. Speaker. There have been discussions with hon. members who have Notices of Motions Nos. 12, 14 and 15 standing in their names, and I believe it would be agreeable if those three motions were allowed to stand, at request, and we were to proceed to No. 16.

Mr. Knowles (Winnipeg North Centre): With the first three holding their places on the Order Paper.

Mr. O'Connell: Yes, with the first three holding their places.

The Acting Speaker (Mr. Béchard): Stand at the request of the government.

NATIONAL CAPITAL REGION

SUGGESTED ESTABLISHMENT OF TRANSIT AUTHORITY

Mr. Lloyd Francis (Ottawa West) moved:

That, in the opinion of this House, the government should give consideration to the expediency of entering into discussion with the governments of

the provinces of Ontario and Quebec on the terms under which a National Capital Region Transit Authority could be created and incorporated by federal charter bearing in mind (a) the inadequacy of public transportation facilities in the national capital region (b) the restriction by charter of transit services, both publicly and privately owned, to municipal boundaries (c) the need for long-term planning of an integrated system of rail rapid transit, bus and other means of urban transit (d) the crises developed by the unfair competition provided by public subsidies on behalf of private vehicles (e) the contribution by an efficient, low-cost public transportation system to the balanced economic and social development of the whole national capital region.

He said: Mr. Speaker, this motion is put forward for consideration and public debate at this time. I hope hon. members will judge it in relation to two bills which stand in my name on the Order Paper—Bill C-57, to establish a National Capital Region Planning Board and Bill C-112, to establish a National Capital Region Pollution Control Board. These two measures, together with the present one which would create a regional transit authority, are based on certain assumptions. The first is that following a recommendation of the Federal-Provincial Conference of February, 1969, the form of article 16 of the British North America Act will be altered to provide for the inclusion of an area in the province of Quebec and an area in the province of Ontario which will correspond roughly to the area defined in the act establishing the national capital region. In other words, the unanimous agreement which was exhibited at the conference where the report dealing with this matter was tabled persuades me that we should consider, when planning the future form of the capital, an area of roughly that size.

The second assumption is that a federal district such as Washington or Brasilia will not be created. In its place will be a development of two municipalities, the regional municipality of Ottawa-Carleton, which has been created on the Ontario side by act of the provincial legislature of Ontario and which is now well under way with a good start, and on the Quebec side the communauté Outaouaise which has been created by act of the provincial legislature of Quebec and which is now in process of development.

These two municipalities, I confidently predict, will develop according to the cultural and legal patterns which reflect the duality of Canadian life. On the Ontario side, I fully expect that the civil law as it affects property and other matters will continue to be that which prevails in the province of Ontario, and that the education system will continue to be the system adopted by that province. On the Quebec side, property and civil law as observed in Quebec will continue to be the basis upon which business is carried out in that part of the national capital region, and the educational system will be essentially that followed in Quebec. I am not one who looks forward to the creation of yet another education jurisdiction in Canada. Ten are more than enough, in my opinion.

If we proceed on the assumption that there are to be regional municipalities on the two sides of the river within two provinces, and if there is to be an extension of the federal government's jurisdiction, it seems to me we must consider the question how certain basic services are to be provided within an orderly framework. Pollution, whether of water, soil or air does not know municipal or provincial boundaries. It seems to me it could have been dealt with, within a territory as restricted as the national capital region, by an act of Parliament ten years ago or more.

• (4:00 p.m.)

It seems to me that this would be a logical regional basis for transportation planning. I think that we must look to something in the order of a regional authority. I know there are constitutional problems. I also appreciate that there are hon. members in the House who will say to me that these are matters within the jurisdiction of the province, to which I must reply that at some point common sense has to prevail. There is no means by which you can lick the pollution problem in this area by fractioning jurisdiction to the point where you cannot touch this because it is in the municipality's jurisdiction, and you cannot touch that because it is in the province's jurisdiction. The Ottawa River is polluted by everybody, and sooner or later there has to be a co-ordinated attack on that particular problem. I suggest the problem of urban transportation is equally serious.

I had hoped that the concept of some kind of regional authority being established to deal with this specific problem would be the type of instrument that could be created by agreement at a Federal-Provincial Conference, and that the necessary powers would be delegated to that body which would be incorporated, I would hope, by federal charter and concurrent provincial enactment.

I should like to quote from the Ottawa-Hull area transportation study which was conducted in 1965. The provinces of Ontario and Quebec and something like 30 municipalities

contributed financially to the preparation of this study. On the subject of urban bus routes the study had this to say:

> The cities of Ottawa, Hull and Eastview and the adjacent communities in a very real sense form one metropolitan area. People may live in one municipality, work in another and do their shopping in a third, and political divisions will rarely have a restraining effect on travel. Yet there is little in the provision of public transit services crossing the Ottawa River that recognizes this situation. The Ottawa Transportation Commission operates only one route across the Chaudière Bridge—

And so on.

> Admittedly, these routes are oriented to serving the employment concentrations in the central business district, which produce the most important segment of all public transit trips in the study area. However, no such level of service is provided for persons who, for example, may live in Pointe Gatineau and work in the west end of Ottawa. Because there is little or no penetration of routes from one side of the Ottawa River to the other, and because there is no free transfer system, passengers making this type of trip are subjected to great inconvenience and, undoubtedly, this must force potential patrons into using automobiles instead.

I am sure my colleague the hon. member for Hull (Mr. Isabelle) will be able to deal much more adequately than I can with the problem of crossing from the other side of the river. I do not want particularly to highlight the problems of the residents of that area as against the problems of the residents of any other part of the region. My point is that we all have a stake in the number of automobiles that come into this part of the central community on a daily basis, just as we have a great stake in seeing that there is a proper balance between the various modes of taking people to and from their employment.

A later study which was commissioned in 1969, the Ottawa central area study, is much more explicit in its recommendations. This study, which in my opinion used an excessively high population projection—though I do not feel this invalidates its conclusions—recommended that a high feed, high capacity transportation system is essential to meaningful urban life in the metropolitan centre of Ottawa, and that this rapid transit system should be developed as early as possible to bring about a regional development pattern that could be integrated with it. They set a target date of roughly 1990 by which a rail rapid transit system should be operating as part of the balanced system. They recommended that the balanced planning of the use of automobiles, buses and rail rapid transit be determined by some type of authority created for this purpose. I believe that the motion standing in my name today essentially would incorporate these recommendations and make it possible to implement them.

It seems to me that our objectives in the development of a transportation policy are essentially three-fold. We want the highest level of service for a balanced system. A balanced system includes the private automobile, bus transportation, and over a longer period as soon as density will permit, a rail rapid transit system. I believe that our objectives should also include, on a very high priority basis, the reduction of air pollution and traffic congestion. It is abundantly clear that the private automobile is contributing to congestion, and through use of fuel containing lead to pollution of the air that we breathe in our working day to a degree that very few of us really understand. It is fashionable today to attack pollution, to recognize it as a high priority public problem. But in my opinion it is essential that we provide not only prohibitions on certain types of fuels; we must also offer alternative means of getting people to and from their places of employment if we are to achieve our objectives.

In addition to a high level of service and the reduction of pollution, I believe our objectives must also include a proper balance of public expenditure on various modes of travel. The priorities must not be too heavily weighted in favour of the private automobile and against buses and rail rapid transit. I had the privilege of serving on the Ottawa Transportation Commission for two years. This was an experience I thoroughly enjoyed because it gave me the opportunity of observing the operation of what we had every reason to believe was a good, efficient, modern bus system. In the ten years between 1954 and 1964 this system lost 30 per cent of its traffic. From carrying 45 million passengers a year, it slipped to carrying a little over 32 million passengers.

During this period the bus system standardized its operation by using one type of bus. A new and efficient garage was built at the east end of the city and at Champagne Avenue. It undertook a program of personnel training and staff reduction which brought it a very enviable record in terms of maintenance cost. The system won a number of awards for safety, and I believe the community had every reason to be proud of its technical performance at a time when it was losing 30 per cent of its passengers.

In 1965 the tide was turned by the process of holding down fares; and with the vigorous support of the municipal authorities the system regained a portion of its former passenger load during the years 1965, 1966, 1967 and 1968. The process was then once more reversed. As a result of an excessive tax burden and some rather large settlements arrived at in collective bargaining with the employees of the system, substantial increases in fares were made and the reserves of the system were depleted. The system is now at the point where it has to be subsidized by a levy of something like two mills.

• (4:10 p.m.)

This is at a time when the provinces of Ontario and Quebec impose the highest level of taxes on public transportation systems on the North American continent. Let me repeat —the highest level of taxes on the North American continent on a public transit system are imposed by the province of Ontario and the province of Quebec. Something in excess of 10 per cent of gross revenue is paid directly in taxes.

At the time when this took place the municipality also undertook, with provincial assistance, a very heavy subsidy to the private automobile drivers. The automobile driven subsidy takes many forms. It takes the form of the new Queensway construction, new expressway construction, a traffic engineering department and a rather advanced and sophisticated synchronization system to make sure that traffic signals all change at the right time, and also off-street parking. The tragedy about this form of subsidy is that it is concealed and the taxpayer does not know or think about it. The subsidy to the private automobile is there in the budget of the public authority.

In the province of Ontario an absolutely incredible, short-sighted policy in regard to parking authorities has been adopted. When the municipality puts parking meters on the streets, the proceeds of the parking meters go exclusively to creating and subsidizing more off-street parking. The parking meter rents out space on the street. The streets belong to every taxpayer, not just the people who drive private automobiles. But by legislation establishing the Ottawa Parking Authority, for example, entire proceeds from parking meters go into a fund and the fund is used to acquire more off-street parking facilities in the central areas. The Ottawa Parking Authority has been an extremely well operated body and I pay them the highest compliment in terms of technical performance of the job. But they have created a pattern of off-street parking which is not necessarily related to public transportation. The two have gone off in entirely different directions.

I think it is clear that the crisis in public transit is one of negligence; it is a crisis of community indifference and one of short-sighted provincial and municipal policy. This is a crisis from which we will all suffer if positive efforts are not taken to overcome it. What kind of thing has to be done? I believe that the proceeds from parking meters should at least be split between the bus rider and the automobile rider. Fifty per cent of these proceeds should go toward the cost of operating a good bus system. There must be a community awareness of the need to give greater privileges to a bus carrying 50 passengers than to individual vehicles carrying an average of 1½ passengers. There must be a prohibition of on-street parking on certain through bus routes, especially at peak hours.

Finally, I should like to say a word or two about the thorny problem of the provision of no-charge parking by employers in the central area of employment. In the city of Ottawa—I note that one of my colleagues suggests that this sounds like a city council meeting, but I am trying to indicate to hon. members that the federal government has a special role which cannot be played by any other municipal authority within this area—where you have two provinces involved and several municipalities, I am looking to the federal authority, in its discussions and in the pattern of developing a new national capital, to take a little initiative which cannot be taken, by the nature of things, at any other level.

The problem with parking charges, in which the federal government has a very large role because it is the largest employer in the city of Ottawa and in the whole region, is the pattern which also creates distortion in the use of public transit. I would hope—and I have suggested this at different times—that the regional municipality, when considering the transfer of transportation responsibilities directly from one municipality to a broader region—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Does the House agree that the hon. member should continue?

Some hon. Members: Agreed.

Mr. Francis: Mr. Speaker, I will terminate my remarks shortly. I suppose I can say far too much on this subject. I hope that the federal authority, in its discussions of the future pattern of the national capital, will keep in mind that certain functions in respect of pollution control, transportation and planning cannot be left to fall by the wayside. I hope that those who speak for the federal authority at a reasonable point in the discussion will take the initiative to bring about the establishment of some type of functional body which can deal with the problem of public transit. In my opinion, no greater contribution to the economic health of the region, short of perhaps assistance on sewage treatment facilities to eliminate pollution, could be made.

[*Translation*]

Mr. Speaker, I have proposed that a National Capital Region Transit Authority be created.

I know that my colleagues, namely the hon. members for Hull and Ottawa-Carleton (Messrs. Isabelle and Turner) who also intend to comment on the matter, will approve the proposal I have just made.

[*English*]

Mr. Desmond Code (Leeds): Mr. Speaker, I should like to take the opportunity of saying a few words about the speech of the hon. member for Ottawa West (Mr. Francis). I agree in most part with what the hon. member has put to the House. He mentioned the problem of pollution. It is my understanding that the province of Ontario and the province of Quebec are not acting in the manner they should to correct the problem of pollution of the Ottawa River. I hope in the near future these two governments will reconsider their position and get together with the federal government to find a solution.

I am not clear about one point in relation to what the hon. member for Ottawa West said. He talked about a transit system for the city of Ottawa. Two or three weeks ago it was announced in the House that a new bridge would be built across the Ottawa River. I know the hon. member was a member of the Ottawa city council for a number of years and may be more aware of the situation than I am, but I am wondering whether this bridge is being taken into consideration in the plans for the type of transit system we would like to have in Ottawa.

Urban transit has become a serious problem in metropolitan areas of Canada. Everyone who has ever had the ulcer-inducing experience of rush hour traffic in Toronto, Ottawa, Hamilton, Montreal, Quebec or Vancouver is all too familiar with the problem. Statistics are available to outline the congestion. One-half of all Canadians presently live in metropolitan areas with populations of over 100,000, and by 1980 it is estimated that one-third of all Canadians will live in Montreal, Toronto or Vancouver. Passenger motor vehicle registration has soared by over 70 per cent in the last ten years. In the past our main response to this growing congestion has been the construction and extension of massive freeway systems.

• (4:20 p.m.)

However, there are definite disadvantages to these systems. The costs are astronomical. Valuable land is consumed by costly expropriation and is thereby removed from municipal tax rolls. Parking space becomes a major problem, especially in the business core. Actual construction costs skyrocket. The elevated portion of the Gardiner Expressway in Toronto cost $16 million per mile. Most urban planners now agree that as an efficient means of carrying people within metropolitan areas, the automobile finishes dead last and that reliance on it should be reduced in favour of rapid public transit systems.

Chicago's Congress Street Expressway provides a good example of cost comparisons between freeway and rapid transit systems. This system consists of an eight-lane expressway and a two-track transit line. The tracks occupy one-fifth of the right-of-way and have a capacity of 30,000 seated passengers per hour, while the expressway occupies four-fifths of the right-of-way and accommodates a maximum capacity of 9,000 people per hour. The expressway cost $188.5 million, in comparison with $36 million for the transit line.

In Toronto there is the subway which was constructed not too many years ago. I think it serves very well the city of Toronto. There also are the go-go trains which were recently installed there. When the hon. member for Ottawa West spoke in introducing the bill, I wondered whether he had in mind these rapid transit systems or expressways for the city of Ottawa. As I have shown, there is quite

a spread in the cost between the two. I certainly think that when the various governments get together on this matter they should look very carefully into the cost and consider which system would be most beneficial to the area.

Montreal has a fairly new subway. There are also suburban trains which bring passengers in from Rigaud, Vaudreuil, Ste. Anne and other places along the line. Thousands of passengers are carried on those trains. The hon. member for Ottawa West said it is a good idea to have a system such as I have in mind when I speak of expressways and rapid transit lines. I think this system has been of great benefit to the city of Montreal, where you can see thousands of people leaving the Canadian National and Canadian Pacific stations to go to their offices.

I hope that when the regional, provincial and federal governments get together to consider a transit system for Ottawa they will study the matter in great detail in order to come up with the best answer. I certainly agree with my hon. friend that there should be a better transit system in the city of Ottawa.

Mr. Barry Mather (Surrey): Mr. Speaker, very briefly, I should like to support the proposal of the hon. member for Ottawa West (Mr. Francis). As we all know, he is a very experienced member in local, regional and federal matters. I believe what he has said about the problems which face this area underline a very ironic situation. Here in the capital area of Canada, which should be an example to the rest of the country, we have a growing and very serious water pollution problem, perhaps one of the worst in Canada, and we also have an amazing air pollution problem with which, as the hon. member pointed out, it is increasingly difficult to cope on the present basis. I think what is required is sort of a single-desk treatment of these various joint problems. To the extent the hon. member has indicated, there should be additional planning and the type of administration he described. We support his proposal.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I am pleased to say a few words on the motion proposed by my hon. friend from Ottawa West (Mr. Francis).

The motion comes in the nick of time because it indicates a disastrous situation in the area, particularly regarding transportation within the national capital.

In fact, I cannot understand how it is that we are not any better off as regards transportation in the national capital than we were a hundred years ago.

Mr. Speaker, when talking about the national capital, one generally remembers the Greber plan which was tabled in the House in 1951 and was the beginning of a planned development to make of the national capital a model for the whole country.

Several recommendations of the Gréber plan have been implemented, but many others have not. For instance, as regards transportation in the Hull area, railroad tracks have been removed. Trains no longer cross the city, except perhaps the one known as "the northern train" which stops at the Hull station. Thus the city of Hull has a station where very few trains stop.

We can now do something in the field of transportation because there are two regional governments, one in Ontario and the other in Quebec. In my opinion, obstacles to agreement have been removed, since the 22 municipalities of Western Quebec are now represented by a regional government, just as are the five municipalities on the Ontario side. Nothing therefore prevents the establishment of a committee to study the problem of public transit in the area of the national capital. The federal government should create it or support it. The national capital should set an example, but, our transportation system is unfortunately a real disaster, because transportation today is a technical problem. When money has to be spent, it should be spent wisely. There has never been any long term planning on the problem of transportation in the national capital region, because the three levels of government never reached an agreement.

It is easy to build bridges but I think that bridges should only serve to unite two road systems; otherwise they become useless. If we build a bridge without paying much attention to the problem of approaches, we may create traffic-jam problems.

The best example of such a lack of logic in 1970 was that we had a highway plan for Hull, which was not accepted on account of disagreements between municipalities. In the end, we had to face a situation where two bridges were built parallel to one another, as is the case in Gatineau Point. So we have traffic jams on both sides.

Can we call that long-term planning? Not at all. If we want to indulge in long-term

planning, we must build bridges of course, as the need arises, like around the Island of Hull. Moreover, the Britannia suburbs must be linked to the municipality of Deschênes so as to relieve the traffic congestion. Along the Aylmer Road, even a casual glance will show that we are 100 years behind the times in our area. However, we are part of the national capital area.

When I spoke about long-term planning, I said that no announcement should ever be made regarding the construction of bridges or roads without being sure that the project can be incorporated to a broad highway system.

My hon. friend from Ottawa West (Mr. Francis) mentioned another problem. Long-term planning is a good thing and I hope that we shall go into it. However, short-term planning is also required. When long-term planning works are carried out, the immediate needs for transportation services across the Ottawa river have to be considered at the same time.

• (4:30 p.m.)

By 1972, many Ottawa residents will go to work in the Hull area, but if some rapid means of transportation are not available, connected with the systems in operation on both sides of the river, we shall face in our national capital the greatest traffic tie up ever seen before in Canada.

Mr. Speaker, I have proposed a monorail. Of course, there are other means of transportation, but my suggestion is based on technological data. Within the framework of the Canadian Transport Commission, has been established an agency called the Research and Development Unit on Urban Transportation within the Transport Department.

This body is set up in view of developing national methods of approaching the problem of transport in the towns of Canada and eventually solving them.

Canada cannot maintain a sound economy if traffic tie-ups and ill-adjusted public transportation jeopardize the productivity of our towns. Considering that urban transportation absorbs about a fifth of the cost of the whole urban economy, the measures intended to improve their efficiency can not only benefit the national economy but also improve the standards of living of most Canadians.

The Canadian Transport Commission set up this body in 1968. I wonder what part the Transport Commission was able to play in this respect, now that urban transportation is based on technology. Indeed there are now new means of transport, made available to the public such as the hovercraft, or vacuum tubes where fast trains would be able to be run in air-tight tunnels; there are helicopters and also STOL planes.

A lot of studies have also been conducted on the monorail and the underground. The problem is therefore to use in the best possible way the existing means of transportation, even if this means considering the implementation of traffic rules and the development of a utilitarian urbanization, which in the present trend have already resulted in a comprehensive program.

Just think of those who apply modern technology. I am thinking of the French lineal "Urba-IV" motor, based on the suction principle a type of "hovercraft" in reverse that does extraordinary things. It is the motor of the future seeing it weighs next to nothing.

Since modern technology has been applied, wonderful results have been achieved. The London-Manchester Railway line was electrified, in England; this resulted for British Railways in a 54 per cent increase in the traffic, and 40 per cent in income in the first year of operations, of the new express trains, in 1966.

The great speed of the "Capital", the famous train between Paris and Tolouse, was the direct cause of a 42 per cent increase in the traffic on that line. In Japan, the inauguration of the train "Tokaïdo" fooled all the experts by reducing the air traffic between Tokyo and Nagoya to such an extent that the service had to be interrupted.

Just recently, I was reading in *Aviation Week and Space Technology* that American Airlines was considering the possibility of abandoning its New York-Washington line because, as a result of the competition of express trains such as the "Metroline", it is no longer profitable.

The situation is much the same wherever modern technology has been applied. What is the research division of the Transport Commission looking for? I do not know. Perhaps some day it will bring forth something that has been gestating quietly in the dark. However, it is responsible for not applying modern technology to a rapid transit system between Ottawa and Hull. This is the national capital, yet no one has thought of that. I feel so strongly about this, that I think the chairman of the Transport Commission should resign.

When the first national transport conference was held at the Royal York in Toronto, someone said this, and I quote:

[*English*]

The government of Canada is convinced that urban transportation is essentially a responsibility of provincial governments.

[*Translation*]

This may be true in theory, but not in practice, because it is up to the central government to update transport technology today, since it has set up a research division within the Canadian Transport Commission.

On the other hand, and this is where I see the prostitution—

[*English*]

Canadian Transport Commission president J. W. Pickersgill presented the semi-official Ottawa attitude in the usual terms: stressing that urban transportation was essentially a provincial matter and the federal government, constitutionally, could not interfere. He carefully avoided any commitment to provide federal funds for developing subways and other means of mass transit.

And just to be on the safe side—though he denied this later—Pickersgill cut from his prepared speech the one paragraph the 1,000 delegates wanted to hear.

What he did not say was this: "Since adequate, efficient and economical urban transportation is just as necessary to the national well-being as adequate, efficient and economical extra-urban and international transport, it is the proper concern of the government of Canada".

[*Translation*]

Since the Canadian Transport Commission has voted funds for the research section, what are we waiting for to do something? Concurrently with the Greber report, transportation studies have been made and should have been published in 1966. Nothing has been done, even if several thousand dollars were spent.

Recently, the Quebec government has decided to undertake a transportation study in Hull. When are we going to write our exams, Mr. Speaker? When will we finally understand that we are not living for structures, but to help our fellow-men?

When bridges are built, the use of cars is encouraged, the air becomes more polluted and people get on each other's nerves even more. Psychiatric problems are created. People are frustrated at having to wait several hours on bridges when traffic is heavy.

I proposed building a monorail. This is a modern and futuristic solution to the problem, and I am not alone to suggest it. Mr. Fullerton, the present chairman of the National Capital Commission, formerly financial analyst for the newspaper *La Presse*, in an article dated February 17, 1969, and entitled: "Cities should promote public transit", said the following:

Evidently, it is costly to build new rail systems. However, a monorail system for suspension-trains would permit significant savings on the cost of ground space. The hon. member for Hull, Mr. Gaston Isabelle, incidentally, has just recommended that type of transportation to provide a more convenient link between Ottawa and Hull. It really seems that the monorail is in a fair way to asserting itself as the ultimate solution to the problems of transportation between cities and suburbs.

That man now holds the office of Chairman of the National Capital Commission: we will see what he can do in this area.

In Canada, it is claimed that it is not for the government to consider those things and to allocate funds to further technology so that the transportation means at our disposal are as adequate as those existing in Europe. In this respect, the November 1966 issue of International Science and Technology published an article entitled New Transportation Technology. It says the following, and I quote:

• (4:40 p.m.)

[*English*]

No really new technology is ready to go yet. But a lot of technology will get further development now that the federal funds are becoming available.

[*Translation*]

That was the situation in the United States in 1966. I suggest we should follow the example of that country with regard to transportation. Intensive research is carried out there. For this, the Americans deserve congratulations.

Today, there must be agreement. Yes, as there are two regional governments, we should, with the help of the National Capital Commission, carry out a study on the creation of a public transportation system, in order to put a stop to the present situation where the people are penalized because governements have not carried out their responsibilities.

I alluded a moment ago to the establishment of two regional administrations. Does the public know when this project was first considered? It was in 1946 and recommendations to that effect were submitted in 1947. The Ottawa Planning Board also promoted this idea in Toronto. This concept was accepted two years ago, Mr. Speaker.

In the province of Quebec, they have just approved the creation of a regional government. It took almost 25 years to finalize such

a plan. If we have to wait for the Canadian Transport Commission to find Easter eggs at this time, in order to make modern technology bring forth something, the eggs will have hatched and we will be right where we are today.

Before concluding my remarks, I wish to point out that in France, at the present time, they are putting the finishing touch on the famous Bertin aero train that is to run at a speed of 350 kilometres per hour and will be used between Paris and Orléans. If the Canadian Transport Commission goes on beating about the bush, I shall recommend to the Minister of National Defence (Mr. Cadieux) to make an airbus available to me so that I might go over there and see with my own eyes what is going on. I do not know if they are aware of it, but I was told they were looking into the same problems as we are. For years now the linear engine URBA-IV has been under consideration in Paris and Lyon. Here studies are starting all over again.

The Canadian Transport Commission, instead of suggesting the construction of a subway, ignores the matter completely, as evidenced at the first national conference on transportation, held at the Royal York Hotel just as if we were still in 1929. I think that our organizations lack responsible leaders. It is said that often parliament moves slowly due to its age-long tradition, perhaps, and its obsolete customs. I agree on that, but it is essential that the responsible authorities be dynamic and take into account modern technology in connection—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time has expired.

Does the House agree to allow the honorable member to carry on with his remarks?

Some hon. Members: Agreed.

Mr. Isabelle: Mr. Speaker, in conclusion, I express the wish that men of good will get together and get to work in the best interests of the people of the national capital area. In fact, the Gréber report provided for a comprehensive plan integrating all the important services. As the transportation question is one which has nothing to do either with language, religion, traditions, nobody could claim that the identity of Quebec or Ontario must be preserved. When you drive a car, it has not always been made in your hometown. In fact, transportation is an international activity that should be discussed seriously, in order to find solutions which only modern technology can provide. The Canadian Transport Commission shows no concern for modern technology. On the other hand, they took the wrong track with this famous turbo-train which will never work despite the huge amount of money being spent on it.

[*English*]

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, first of all I wish to congratulate my friend, the hon. member for Ottawa West (Mr. Francis) who speaks, as everybody knows, with special authority on this matter. This derives from his long experience in municipal affairs in Ottawa, and also from his special knowledge as a former member of the Ottawa Transport Commission.

I also wish to speak in support of this motion, as have my friends, the hon. member for Leeds (Mr. Code), the hon. member for Surrey (Mr. Mather) and the hon. member for Hull (Mr. Isabelle). In addressing myself to this problem, hon. members will understand it is not just a local problem, it is a national problem, and that we are confronted in this country finally and fortunately with an important change in public attitude.

For many, many years public transit has been regarded as a second best. But now people are beginning to see that public transit is a necessity; and more than that, it is a more desirable alternative than the proliferation of travel by motor car. What people are finally seeing is what the hon. member for Ottawa West referred to as the hidden cost of motor car travel. This has always been hidden, and it has to be balanced against the exposed cost of public transit, which is out in the open. Public transit has suffered; the people have suffered. But I hope we have at last come to the time when the people generally share the views expressed here, that rational choices have to be made in order to re-organize the total transportation system, not only of this area but of every metropolitan area in Canada.

The costs, which are now apparent, of the proliferation of motor car travel include clogged highways, congestion, the turning of our downtown areas virtually into parking lots, pollution, accidents and the ever-increas- in expense necessary to meet the requirements of private motor car travel. One authority who participated in the conference to which the hon. member for Hull referred,

the first Canadian Urban Transportation Conference, Dr. Joseph Kates, referred to this problem as follows:

• (4:50 p.m.)

We have private car oriented developments and we are becoming increasingly dependent on the private car. This marvellous flexible machine, the dream of everyone who hasn't one, the luxury conveyance with its image of freedom, flexibility and status is also becoming the Frankenstein monster who frequently dominates our life and our cities and forces us to pay a very, very high price for its convenience. What is this price we pay?

I do not wish to expand on that price, but people are becoming aware of what it is. The controversy over the Spadina development in Toronto, which is matched in Ottawa by the controversy over a proposal to run a freeway through the centre of the city, indicates to all sections of our population the price we pay in trying to accommodate the ever-increasing number of private cars. We see this in many ways.

I quote further the words of Dr. Kates, who speaks about the situation in metropolitan Toronto and whose remarks on the total cost of all private car travel might be of interest to the House:

The utilization of our huge investment in private cars is unbelievably low. The car fleet in metropolitan Toronto alone represents an investment of several billions of dollars, the garages, carports and parking lots required to store these cars represent a further investment of several billions of dollars, the roads, bridges and tunnels required for these cars represent a further several billions of dollars and the costs of operating, maintaining and repairing this huge fleet amount to perhaps another $500 million annually.

Yet this huge investment is used on the average perhaps one to two hours a day, or less than 10 per cent, representing an enormous wasteful use of expensive resources which could be used in so many other ways to make us stronger and richer. When this low utilization of the car is multiplied by the low utilization of its seats we find that the huge investment has a utilization of less than 2 per cent.

While as individuals we are frequently willing to buy expensive cars, often a little beyond our means, as a society we find ourselves financially in serious trouble in meeting the requirements of these cars in terms of roads, bridges and tunnels, and parking facilities.

Mr. Speaker, I am not suggesting that we can legislate the private car out of existence. This is clearly impossible in a free society. As the hon. member for Ottawa West pointed out, the obvious solution is to provide a transit system wherein people will have an opportunity to express a reasonable preference between public transit and the use of their private automobiles. There is experience to show that where these reasonable alternatives are provided, people will prefer public transit. For example, it is estimated that 85 per cent of the commuter traffic within range of the new GO transit system outside Toronto use that transit system.

Despite the difficulties of our local transit commission in Ottawa it has been shown that by improving the services and providing better facilities, greater utilization occurs. In another paper presented to this conference, Dr. Kates had this to say:

In Canada, transit organizations have also made important progress. The Ottawa Transit Commission, for example, has introduced new bus shelters, extended routes, provided more frequent service and introduced better vehicles. The result is a significant increase in the number of passengers.

The hon. member for Ottawa West referred to the fact that this significant increase occurred over a period of four or five years. Mr. Speaker, the problem we face in this area is clearly one of attacking transit on an area-wide basis; it cannot be attacked on the basis of solving it within local municipal boundaries. It is not an easy problem to solve; it requires study, co-operation and experimentation. Nor can it be solved by trying to impose arbitrary penalties on one section of the population as opposed to another. It will not be solved for example, by imposing penalties on public servants in respect of their parking privileges when there are no public transit facilities from the suburbs to bring people to work. The basic problem in my constituency on the outskirts of Ottawa, which includes Nepean township, is that there are no public transit facilities. The Ottawa Transit Commission comes to the fringe of the area at Bayshore and Parkwood Hills but the rest of this important suburban development, which has upwards of 40,000 people, is not served by any public transit at all.

Mr. Winch: Are you going to talk this motion out?

Mr. Blair: I always appreciate the views of my hon. friend. The problems faced by people in this area are substantial. Again I quote the words of Dr. Kates, who said:

The car oriented city provides less and less ability for those not able to afford a car or not able to drive, the poor, the young, the aged and the infirm. While the private car enables car owning families to move far from public transportation, providing mobility to the head of the family and possibly his wife it isolates even in such families, the children, the old, the infirm in the same house-

hold and forces car driving adults for many precious hours into becoming chauffeurs for the rest of the family, relatives and friends.

In my experience, there is no single problem as great for the people in the suburbs of Ottawa as the fact that they are isolated from public transit.

Mr. McBride: Mr. Speaker, would the hon. member permit a question?

Mr. Winch: Don't you talk it out; let him talk it out, he is the Ottawa member.

Mr. Blair: There are very hopeful signs, Mr. Speaker, that action will be taken. The new regional municipality of Ottawa-Carleton has an important committee headed by the mayor of Ottawa, the purpose of which is to—

The Acting Speaker (Mr. Béchard): Order, please. The hour provided for the consideration of private members' business has now expired.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 9, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS—CONCURRENCE IN FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. Gaston Clermont (Gatineau) moved that the fifteenth report of the Standing Committee on Finance, Trade and Economic Affairs, presented to the House on Wednesday, March 4, 1970, be concurred in.

Motion agreed to.

CONSTITUTION OF CANADA—CONCURRENCE IN FIRST REPORT OF SPECIAL JOINT COMMITTEE

• (2:10 p.m.)

Mr. Warren Allmand (for Mr. MacGuigan) moved that the first report of the Special Joint Committee of the Senate and of the House of Commons on the Constitution of Canada, presented to the House on Thursday, March 5, 1970, be concurred in.

Motion agreed to.

LABOUR CONDITIONS

TORONTO—CLOSING OF DUNLOP PLANT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Gilbert (Broadview): Mr. Speaker, I rise under Standing Order 43 to ask for unanimous consent to present a motion.

Last Friday Dunlop of Canada announced the closing of its industrial products division in Toronto, to be phased out in a few weeks. As a result 597 Canadians, many past 40 and with long seniority, are being thrown out of work at a time of very high unemployment. The government, through two of its ministers, had been informed of the company's intention. The closing of this plant is another example of decisions by corporations without regard for the effect on the lives of Canadians and on the community and without adequate notice to the employees concerned. It is urgent that the facts of this case and the entire problem be studied in depth by a committee.

Therefore I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the closing of the Toronto industrial products plant of Dunlop Canada Limited be referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: The hon. member knows that his proposed motion, under the terms of Standing Order 43, can be put to the House only if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I have to advise the hon. member that there is no unanimity. Therefore the motion cannot be put at this time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

APPROPRIATIONS AND EXPENDITURES, FOREIGN AID

Question No. 47—**Mr. Lewis:**

1. For the fiscal year 1968-69, what were the total Canadian parliamentary appropriations for foreign aid programs?

2. For the fiscal year 1968-69, what were the total actual expenditures by the Government of Canada on foreign aid programs?

3. For the fiscal year 1968-69, what were the Canadian Government's foreign aid (a) allocations and (b) actual expenditures to (i) Latin America (ii) Colombo Plan (iii) Commonwealth Caribbean Assistance Program (iv) Special Commonwealth Africa Assistance Plan (v) Independent French-speaking African States and (vi) other countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. For the fiscal year 1968-69, the Canadian Parliamentary appropriations and authorizations for foreign aid totalled $289,476,000.

Questions

2. For the fiscal year 1968-69, the actual expenditures by the Government of Canada on foreign aid programs totalled $186,305,772.23.

3. For the fiscal year 1968-69 the Canadian Government's allocations and actual expenditures for bilateral foreign aid were as follows:

	Allocations	Expenditures
(i) Latin America	$ 11,000,000.00	$ 3,317,685.25
(ii) Colombo Plan	126,300,000.00	103,952,189.48
(iii) Commonwealth Caribbean Assistance Plan	22,110,000.00	9,103,160.28
(iv) Special Commonwealth African Assistance Plan	25,778,000.00	15,436,729.78
(v) Independent French-speaking African States	23,800,000.00	14,431,267.45
(vi) Other Countries and Programmes	10,079,640.75	7,621,620.74
Totals	$ 219,067,640.75*	$ 153,862,652.98*

* does not include allocations and expenditures under multilateral programs.

CONTRACTS AWARDED TO COMPUTEL SYSTEMS LIMITED

Question No. 652—**Mr. Benjamin:**

For each of the years 1964, 1965, 1966, 1967, 1968 and 1969, how many contracts were awarded to Computel Systems Limited of Ottawa and in each case, what was the (a) financial amount (b) goods or services supplied?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council):

(a) Department	1967/68 Fiscal Year $	1968/69 Fiscal Year $	1969/70 to Nov. 30/69 $
Agriculture	23,024.	126,015.	92,082.
Dominion Bureau of Statistics	16,356.	110,601.	132,793.
Energy, Mines and Resources	13,125.	127,100.	150,924.
Finance	9,641.	71,037.	24,764.
Fisheries and Forestry	—	12,458.	18,109.
Indian Affairs and Northern Development	—	9,121.	798.
Industry, Trade and Commerce	—	743.	804.
Labour	—	—	14,600.
Manpower and Immigration	—	13,173.	1,163.
National Defence	—	46,621.	40,714.
National Health and Welfare	—	—	4,481.
Post Office	—	13,138.	16,245.
Public Works	—	5,159.	5,008.
Regional Economic Expansion	—	—	380.
Supply and Services	—	—	122,989.
Transport	—	43,272.	128,835.

(b) Rental of Computer time.

[Mr. Sharp.]

CANADIANA MOBILE UNITS

Question No. 702—**Mr. Dinsdale:**

1. What was the cost of the mobile units used to take Canadiana to the people of Canada during Centennial Year?

2. Were any of these units retained for displaying Canada abroad and, if not, for what reason?

3. How much was realized by the sale of the units through Crown Assets Disposal Corporation?

4. What is the cost of the mobile units being used to take Canadiana to the Francophonie countries of Africa?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. $5,001,712.

2. No department expressed the wish to retain any of the units for displaying Canada abroad.

3. $803,504.

4. Four tractors, $25,160; four trailers, $19,570.

"POSITIVE ACTION" PLAN, EASTERN SHORE, GUYSBOROUGH COUNTY

Question No. 721—**Mr. MacEwan:**

Has the Prime Minister received a communication from the Goldboro-Bayview District Board of Trade, Isaac's Harbour, Nova Scotia, containing a blueprint of a "Positive Action" plan for the Eastern Shore of Guysborough County and, if so, what action does the government intend to take on this matter?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Yes, but federal assistance would be to the government of Nova Scotia, with whom the request will be reviewed.

REVISION OF DESIGNATED AREAS

Question No. 812—**Mr. McBride:**

1. What is the earliest possible date that a revision of the designated areas under the Regional Incentives Act will take place?

2. Are surveys of any kind now underway either by the Department of Regional Economic Expansion or by any other agency with the knowledge and compliance of that Department to provide information for possible revisions of the designated areas in Canada?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Present Orders in Council are effective to 30 June 1972; other Orders can be made.

2. Various organizations are preparing briefs.

GRANBY, QUEBEC—CANADA MANPOWER CENTRE COSTS

Question No. 914—**Mr. Rondeau:**

What have the annual (a) administrative (b) rental (c) maintenance (d) renovation (e) miscellaneous costs, for the Canadian Manpower Centre in Granby amounted to, since its opening?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): So far as the Department of Public Works is concerned:

	(a)	(b)	(c)	(d)	(e)
Fiscal Year	$	$	$	$	$
1965-66	2,150	—	1,154	—	42
1966-67	2,213	—	1,238	—	1
1967-68	2,268	—	1,663	—	3
1968-69	3,141	—	2,298	22,000	4

So far as the Department of Manpower and Immigration is concerned: The Department of Manpower and Immigration records for Granby cover the undermentioned periods only:

	(a)	
Fiscal Year	Salaries	Operations
	$	$
1967-68	98,979	4,373
1968-69	118,009	9,330
1969-70	105,246 (to Dec. 31/69)	6,875 (to Dec. 31/69)

Questions

GRANBY, QUEBEC—POST OFFICE COSTS

Question No. 915—**Mr. Rondeau:**

What have the annual (a) administrative (b) rental (c) maintenance (d) renovation (e) miscellaneous costs, for the post office in Granby amounted to, since its opening?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): So far as the Department of Public Works is concerned:

Fiscal Year	(a) $	(b) $	(c) $	(d) $	(e) $
1955-56	5,097	—	1,970	—	36
1956-57	6,013	—	3,223	—	7
1957-58	6,692	—	3,293	—	—
1958-59	6,754	—	9,179	—	53
1959-60	6,752	—	3,235	—	14
1960-61	6,384	—	3,442	—	104
1961-62	5,928	—	3,584	—	158
1962-63	6,115	—	3,236	—	20
1963-64	6,772	—	9,628	—	50
1964-65	6,333	—	4,327	—	25
1965-66	6,913	—	3,688	—	136
1966-67	7,116	—	3,986	—	3
1967-68	7,280	—	5,350	—	5
1968-69	10,098	—	7,391	—	14

So far as the Post Office Department is concerned: Salary records prior to 1966 are not available.

	(a) $
1966-67	233,653
1967-68	247,396
1968-69	302,270
1969-70	264,476 (to Jan. 31,1970)

CNR—SPARE GANGS IN ONTARIO AND QUEBEC

Question No. 916—**Mr. Rondeau:**

1. What hourly wage is paid to members of CNR spare gangs in (a) Quebec (b) Ontario?

2. How many hours do these men have to work before they receive time-and-a-half?

3. How many workers are there on CNR spare gangs in (a) Quebec (b) Ontario?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advises as follows: 1. Pursuant to the collective agreement with the Labour organization concerned the current rate of pay for extra gang employees, after a probationary period of 78 days of service, is $2.012 per hour, after a further 156 days of service, the rate is $2.108 per hour. There is no fixed rate of pay during the probationary period, however employees generally average $1.75 per hour.

[Mr. Forest.]

2. The agreement provides for these employees to work up to nine hours per day six days a week at straight time rates of pay. During the probationary period all overtime is worked at straight time, thereafter, overtime at time and a half is only paid after nine hours in any one day and for service on Sundays.

3. (a) On the average about 400 per month. (b) On the average about 115 per month.

ISSUANCE OF PERMITS FOR NON-MILITARY AMMUNITION TO BOTSWANA AND SWAZILAND

Question No. 934—**Mr. MacLean:**

1. Were permits issued in 1969 for the sale of non-military ammunition to Botswana and Swaziland and, if so, was Canadian ammunition exported to these countries?

2. What was the value of the export, amount, description and calibre of the ammunition in question?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Yes.

2. Permits were issued in 1969 for non-military ammunition to Botswana and Swaziland to a total value of $42,780. Statistics of actual exports in 1969 are not complete and, in any event, would not coincide in value with permits issued in the calendar year owing to the six months period of validity of the per-

mits. Exports were predominantly .22 rim-fire cartridges but included a wide variety of centre-fire hunting calibres and shot-shells.

EDUCATION—READING DEFICIENCIES AND ILLITERACY

Question No. 974—**Mr. Knowles (Winnipeg North Centre):**

1. Does the government or any department, branch, bureau or agency thereof, have statistics on reading deficiencies and illiteracy among Canadians?

2. What is the percentage of students who have reading deficiencies, by category, based on the method of sampling used to obtain such information?

3. How many illiterates are there in Canada's adult population?

4. How many persons between the ages of 16 and 21, listed as unemployed, are functionally illiterate?

5. What is the percentage of juvenile offenders who are functionally illiterate?

6. (a) Are statistics available on the reading ability of those in the armed forces (b) do these statistics indicate the number or percentage whose reading ability falls below a set or acceptable standard?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Dominion Bureau of Statistics and the Department of National Defence as follows: 1. Yes, the Education Division, the Judicial Division and the Census Division of the Dominion Bureau of Statistics collect some information on reading deficiencies and illiteracy among Canadians.

2. As of January 1966, 12,108 children were being provided special remedial reading programmes in special education facilities, including both those operated by school boards and those run by other organizations, in which specially-trained teachers were employed. This is not to be taken as an indication of the percentage of children who can be classified as retarded readers. A common finding of researchers is that 3.4 per cent of the population can be classified as retarded.

3. In Canada's adult population (20 years and over), according to the 1961 Census, there were 169,904 illiterates with no schooling (1.63 per cent of the population), and 828,597 who were functionally illiterate, with one to four years of schooling (7.93 per cent of the population).

4. According to the 1961 Census 13.4 per cent of the unemployed, aged 15 to 19, and 10.4 per cent of those aged 20 to 24, were functionally illiterate, with less than five years of elementary education.

5. In 1967, 8.32 per cent of juvenile offenders were functionally illiterate (1,499 of 18,000 juvenile delinquents who had been to court). Of those who entered Training Schools in 1967, 12.83 per cent were functionally illiterate (312 of 2,431). These are not necessarily the same people who appeared in court.

6. The minimum acceptable education standards for a male applicant for enrolment in the Canadian Forces is Ontario Grade 8 or equivalent, and for a woman Ontario Grade 10 or equivalent. In addition to the basic education standard, all applicants must successfully complete a comprehensive testing program which includes reading ability. Thus, there are no members of the Canadian Forces whose reading ability falls below an acceptable standard.

CHARLOTTETOWN AIRPORT AREA

Question No. 982—**Mr. Macquarrie:**

1. What steps are currently being taken to increase the area of the Charlottetown Airport?

2. If land has been acquired, where is it situated?

3. Have any arrangements been entered into with municipal or provincial authorities in reference to the granting of building permits in the area required for future expansion of this Airport?

4. What is the target date for completion of plans for the Charlottetown Airport?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. There is no action currently underway to increase the area of the Charlottetown Airport.

2. No new lands have been acquired.

3. No.

4. The target date is contingent on the conclusions and influences of two studies namely, (a) Future demands for Aviation Services in the Atlantic Provinces and (b) An over-all plan to serve the Aviation activity on a National basis and thus cannot be estimated at this time.

CANADIAN ARCTIC WEATHER STATIONS

Question No. 1,018—**Mr. Thomson:**

1. How many weather stations does Canada have in the Arctic and where are they located?

2. (a) Which ones are operated and financed entirely by Canada and which ones are not (b) do other nations participate with Canada in their operation and financing and, if so (i) which ones (ii) to what extent?

3. Has the Government of Canada made any evaluation of the effect that joint operation and financing of weather stations has on our claims to sovereignty over certain Arctic lands or islands and, if so, what have been the conclusions?

Questions

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Transport and the Department of External Affairs as follows: 1. Fifty-eight north of the 60th parallel at the locations given in the attached listing.

2. (a) All the arctic weather stations with the exception of Alert, Eureka, Isachsen, Mould Bay and Resolute are operated and financed entirely by Canada. (b) The United States participates in the operation and financing of the weather stations at Alert, Eureka, Isachsen, Mould Bay and Resolute to the extent of approximately 45 percent of the cost.

3. Canada's sovereignty over its Arctic lands and islands is unassailable and undisputed. Any joint operations in these or other Canadian territories, with the U.S.A. or any other country, could only be carried out with the consent of Canada as the sovereign power and could not affect Canada's sovereignty over such territories.

Arctic Weather Stations

Alert, N.W.T.; Arctic Bay, N.W.T.; Baker Lake, N.W.T.; Beaver Creek, Y.T.; Brevoort Island, N.W.T.; Broughton Island, N.W.T;. Burwash, Y.T.; Byron Bay, N.W.T.; Cambridge Bay, N.W.T.; Cape Dyer, N.W.T.; Cape Hooper, N.W.T.; Cape Hopes Advance, Que.; Cape Parry, N.W.T.; Chesterfield, N.W.T.; Clinton Point, N.W.T.; Clyde, N.W.T.; Contwoyto Lake, N.W.T.; Coppermine, N.W.T.; Coral Harbour, N.W.T.; Dawson, Y.T.; Deception Bay, Que.; Dewar Lakes, N.W.T.; Ennadai Lake, N.W.T.; Eureka, N.W.T.; Fort Good Hope, N.W.T.; Fort Reliance, N.W.T.; Fort Resolution, N.W.T.; Fort Simpson, N.W.T.; Fort Smith, N.W.T.; Frobisher Bay, N.W.T.; Gladman Point, N.W.T.; Haines Junction, Y.T.; Hall Beach, N.W.T.; Hay River, N.W.T.; Holman, N.W.T.; Inuvik, N.W.T.; Isachsen, N.W.T.; Longstaff Bluff, N.W.T.; Mackar Inlet, N.W.T.; Mayo, Y.T.; Mould Bay, N.W.T.; Norman Wells, N.W.T.; Nottingham Island, N.W.T.; Pelly Bay, N.W.T.; Port Radium, N.W.T.; Rea Point, N.W.T.; Resolute, N.W.T.; Resolution Island (Cape Warwick), N.W.T.; Rowley Island, N.W.T.; Sachs Harbour, N.W.T.; Spence Bay, N.W.T.; Teslin, Y.T.; Tuktoyaktuk, N.W.T.; Tuktoyaktuk Airport, N.W.T.; Watson Lake, N.W.T.; Whitehorse, Y.T.; Wrigley, N.W.T.; Yellowknife, N.W.T.

POST OFFICE—AIRLINE COSTS FOR CARRYING MAIL

Question No. 1,021—**Mr. Dinsdale:**

1. What amounts have been paid to each airline in Canada for carrying mail each year since 1963?

2. Are airlines invited to tender on mail contracts and, if not, how are the contracts awarded?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications):

1. Airlines	1963–64	1964–65	1965–66	1966–67	1967–68	1968–69
Canadian Pacific Air (Domestic)	$1,090,132	$1,201,845	$1,251,739	$1,616,778	$1,667,622	$1,592,044
(International)	1,531,526	1,811,906	2,529,750	3,387,533	4,649,253	4,695,243
Athabaska Airways Ltd.	621	530	480	1,203	2,729	2,744
Austin Airways Ltd.	136,670	206,010	230,888	257,676	300,282	303,506
B.C. Airlines Ltd.	38,297	34,574	38,198	43,978	82,985	74,403
Courier Flights Ltd.	8,843	9,287	7,961	8,248	6,308	2,926
Eastern Provincial Airways	614,653	562,442	562,940	650,557	743,191	733,873
Georgian Bay Airways Ltd.	1,566	1,554	1,554	5,274	8,520	8,324
Great Northern Airways Ltd.	—	—	38,594	32,969	35,411	42,385
Mel Air Ltd.	—	—	1,695	9,904	10,277	13,053
Nordair Ltd.	188,208	191,530	220,837	362,368	348,954	414,739
North Coast Air Services	—	—	—	—	402	1,540
Northern Air Services	1,123	1,217	1,368	1,370	3,226	3,745
Pacific Western Airlines	517,150	653,562	642,482	641,542	690,742	709,212
Quebecair Ltd.	54,453	85,006	90,861	93,488	96,770	105,810
Transair Ltd.	313,328	320,940	359,634	471,383	380,638	309,626
Trans Provincial Air Carriers	—	—	—	—	—	8,733
Air Gaspé Inc.	9,102	11,265	15,000	15,000	15,721	15,000
Atlas Aviation	—	—	—	2,632	25,666	36,375
Brochu Industries Ltd.	—	—	—	3,622	7,905	8,197
Carrot River Airways Ltd.	505	1,159	1,260	5,356	5,486	7,014
Coast Range Airways Ltd.	9,831	11,893	17,698	16,392	12,795	4,807
Discovery Mines Ltd.	1,463	1,546	1,694	1,706	1,680	1,277
Fort Vermilion Air Services	1,210	1,260	1,411	1,806	1,764	1,809
Gordon Airways Ltd.	8,861	8,550	8,670	8,917	10,156	9,708
Halls Air Services	10,948	10,566	11,409	11,761	11,396	620

Questions

Airlines	1963-1964	1964-1965	1965-1966	1966-1967	1967-1968	1968-1969
Hooker Air Services	—	—	—	—	16,206	22,503
Island Airlines Ltd	—	—	18	6,642	9,348	9,378
Lambair Ltd	4,629	6,042	6,469	2,447	2,280	2,136
Lethbridge Air Services	—	—	—	2,067	5,865	6,460
Midwest Aviation	—	—	—	—	3,768	6,875
Montmagny Air Services	2,465	2,465	2,535	2,500	2,910	2,958
Northern Wings Ltd	125,681	132,738	136,507	108,752	209,176	152,764
Northland Airlines Ltd	—	—	—	—	104,921	237,333
Northward Aviation Ltd	—	—	—	—	—	44,093
Omineca Air Services	—	—	—	—	2,151	2,418
Orillia Air Services	819	864	792	828	810	828
Ptarmigan Airways Ltd	—	72	511	509	418	686
Riverton Airways Ltd	—	—	—	2,489	3,026	3,994
Roberts Flying Service	5,609	5,417	5,209	5,964	6,546	5,577
Starratt Transportation Ltd	607	655	886	975	948	959
St. Felicien Air Service	—	—	—	—	16,866	30,109
Tyee Airways Ltd	—	—	—	—	189	423
Alert Bay Air Services	—	—	—	—	55	1,069
Trans Mountain Air Services	—	—	—	—	—	3,606
North Canada Air	—	—	28,127	29,796	33,994	51,144
Contact Airways Ltd	502	408	663	536	—	2,355
Northwest Territorial Airways Ltd	—	—	—	—	—	79
Laviolette Air Services	1,710	3,712	5,596	2,178	—	—
Connelly Dawson Airways Ltd	17,019	23,527	—	—	—	—
Ilford Airways Ltd	1,376	2,287	2,466	1,248	—	—
McMurray Air Services Ltd	17,924	15,902	15,405	2,613	—	—
Northern Mountain Airlines	4,512	4,604	5,887	6,624	399	—
Saskair	20,589	25,063	—	—	—	—
Mattagami Skyways Ltd	4,566	5,777	2,710	1,864	—	—
Air Canada (Domestic)	7,420,000	7,730,000	7,986,374	8,229,660	8,813,128	9,558,431
(International)	3,653,498	4,334,808	4,719,344	5,129,497	5,270,312	5,291,233

2. No. Contracts with Air Canada are not awarded on the basis of public tender but by virtue of an agreement signed by the Postmaster General and the President of Air Canada. The last contract with Air Canada (then Trans Canada Airlines) was entered into on 21st May 1946. Subsequent to this date there have been a number of revisions to update the basis of payment in accordance with changing circumstances such as an increase in the volume of mail etc.

Arrangements with other carriers is made by an exchange of letters between the Department and the airline indicating, on the part of both, a mutually acceptable agreement for the transportation of mail under qualified terms and conditions for a period not to exceed five years. This is the maximum term of agreement permissible under the Post Office Act.

Prior to establishing an airmail service offers are invited from all air carriers in the area who are qualified through holding the required operating licence, as issued by the Air Transport Committee.

ROYAL COMMISSION ON STATUS OF WOMEN

Question No. 1,022—**Mr. Coates:**

1. On what date was the Royal Commission on the Status of Women established?

2. On what date will the final report of the Commission be available to the government and the public?

3. What are the names of the present members of the Commission and how much has each received in *honoraria* and expenses?

4. How many persons were appointed to the Commission who have since retired and how much did each receive in *honoraria* and expenses?

5. (a) How many consulting firms were retained (b) what are the names of the firms in question (c) how much has each received for services rendered to date (d) what is the final estimated cost of each consulting firm that has been retained by the Commission?

6. What has been the cost to date to the federal government for the work of the Royal Commission on the Status of Women and what is the final estimated cost of this Commission?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): I am informed by the Royal Commission on the Status of Women as follows: 1. February 16, 1967, by Order-in-Council P.C. 1967-312.

2. Everything is being done to expedite the finalization of the Report.

Questions

3. Present Members	Honoraria to February 4, 1970 $	Expenses to February 4, 1970 $
Mrs. John Bird, Chairman	57,837.50	4,455.65
Dr. Jacques Henripin	34,050.00	4,871.50
Dr. John P. Humphrey	31,650.00	4,583.63
Mrs. Ottomar Lange	41,775.00	18,524.00
Miss Jeanne Lapointe	33,325.00	6,604.05
Miss Elsie G. MacGill	41,800.00	7,502.91
Mrs. Robert Ogilvie	41,700.00	8,216.19
4. One—D. Gordon Jr.	5,550,00	655.62

5. (a) Two. (b) Hickling-Johnson Limited & Rotec Inc. (c) Hickling-Johnson Limited $28,100.00, Rotec Inc. $31,607.67. (d) As shown in (c).

6. (a) $1,518,741.93 to February 4, 1970. (b) Final estimated cost $1,779,869.27.

COMPLETION OF NEW RUNWAY, VANCOUVER AIRPORT

Question No. 1,024—**Mr. Goode:**

When will the new runway at the Vancouver International Airport be completed?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Subject to availability of funds and growth of air traffic as now forecast, runway construction is programmed for completion in the fiscal year of 1974-75.

TORONTO AIRPORT PLANNING

Question No. 1,046—**Mr. Robinson:**

Will the federal government consider the feasibility of setting up a joint committee of municipal provincial and federal representatives to discuss matters relevant to Metropolitan Toronto Airport expansion problems?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Consideration has been given to this proposal. The statement in the House on February 4 by the Minister of Transport explained the impracticability of this approach in the early stages of the study dealing with this problem.

INDIAN AFFAIRS—PRESS RELEASE "NEW BEEF CATTLE PASTURAGE DEVELOPED ON INDIAN RESERVES"

Question No. 1,051—**Mr. Gleave:**

1. Did the Department of Indian Affairs and Northern Development make a Press Release "New Beef Cattle Pasturage Developed on Indian Reserves" dated January 29, 1970, and, if so, what specific provisions are made for the Indians on the reserve to build up their cattle herds?

[Mr. Walker.]

2. Is there a specific time-table during the ten-year period to permit the Indian bands to develop cattle herds progressively and take over the grazing lands which are now being developed?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. The Department of Indian Affairs and Northern Development issued the Press Release dated January 29, 1970.

In addition to having priority for summer grazing in the developed pasture, Indian farmers are assisted in establishing or expanding a herd under the Rotating Herd Program or by loans from the Indian Loan Fund. Under the Rotating Herd Program herds of cows are placed with Indian farmers for a 3 year period. The farmer keeps the female stock to establish a basic herd of his own and sells the male stock to recover operating costs. The herd is placed with another farmer after the 3 year period. Loans, from the Indian Loan Fund, may be made for the purchase of cattle.

2. There is no specific time-table during the 10 year period for the Indian Bands to develop herds and take over the grazing land.

BACCARO LORAN STATION

Question No. 1,055—**Mr. Comeau:**

Is it the intention of the government to phase out the Baccaro radar station and, if so, on what date and for what reason?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): At the present time there is no plan to phase out the Baccaro LORAN station.

DESTRUCTION OF SALMON EGGS, TWIN DIVERS, B.C.

Question No. 1,059—**Mr. Crouse:**

Were salmon eggs destroyed in the spawning area of Twin Divers, British Columbia in October, 1969 and, if so (a) how many were destroyed (b) was a large pulp and paper company fined for such

destruction (c) how much was the fine (d) is the government giving consideration to introducing legislation to increase the fines for offending industries?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): It is assumed that the Twin Divers referred to is Twin Rivers which is the name of a logging company in northern British Columbia and which operates log drives on the Nass River. On this basis the reply is as follows: (a) No eggs were destroyed since logs are not permitted to be driven over known salmon spawning areas; (b) No; (c) Not applicable; (d) Yes.

COUNSELLING STAFF, PENITENTIARY SERVICE

Question No. 1,087—**Mr. Orlikow:**

1. How many staff in the penitentiary service are employed exclusively on counselling—dealing with inmates' families, planning pre-release and release?
2. How is staff selected?
3. What is the basis of selection?
4. How is staff trained?
5. What is the curriculum?
6. What materials are used?
7. Who staffs the training colleges?
8. What are their qualifications?

Hon. G. J. McIlraith (Solicitor General): 1. The staff organization of the Penitentiary Service provides counselling service as a function of designated staff positions and not as the exclusive function of any one class of position. Counselling constitutes a major function of each of the following: Classification and Guidance Officers, 120; Psychologists, full-time, 13; under contract, 10; Chaplains, 31; Total: 174.

2. Since September 11, 1969 staff has been selected in accordance with the terms and conditions of the Public Service Employment Act.

3. As for 2.

4. Training of staff depends on background and varies according to the experience and level of qualification in each case; and many consist of: (a) Courses and seminars on interviewing and counselling held at one of the Correctional Staff Colleges, (b) Program orientation and "in-service" training within the Institution under the direction of qualified officers, (c) Leave of absence to pursue university training in a selected field.

5. The curriculum is flexible, depending on the degree of competence and experience. It includes techniques for establishing a relationship of confidence with the inmate during interviewing and counselling sessions; the psychological mechanisms affecting human behaviour and motivation; the development of personality and intelligence; role playing in group counselling situations, inmate characteristics; the psychology of criminal behaviour.

6. Materials used are lecture precis prepared by professional staff; films from the National Film Board that were made in cooperation with the Penitentiary Service; some films of the "Criminal Man" series made by a leading psychiatrist in criminal behaviour in California; and textbooks on Criminology and Penology (Korn and McCorkle), Delinquency and Opportunity (Cloward & Ohlin), the Sociology of Deviant Behaviour (Clinard), Counselling and Psychotherapy (Rogers), the Dynamics of Interviewing (Kahn & Connell).

7. Correctional Staff Colleges are staffed by a Superintendent, a Chief Instructor, a number of Staff Instructors and support and administrative staff.

8. Staff Instructors must possess a minimum educational level of Junior Matriculation or acceptable equivalent. There are four levels of staff instructors and each must successfully complete the appropriate courses designed to provide him with a thorough knowledge of the inmate training program, modern concepts of management and the ability to impart this knowledge to staff members attending junior and senior level courses.

GARNISHEEING OF PENSION CHEQUES BY GOVERNMENT AND INDUSTRY

Question No. 1,094—**Mr. Stewart (Marquette):**

1. Does the government allow garnishees against Old Age Security Pension cheques by any department of the government and, if so, what is the total number of garnishees placed on such cheques by all departments for the years 1968 and 1969?

2. Are there any appeal procedures available to persons whose Old Age Security Pension cheques have been garnisheed by the government?

3. Does the government allow garnishees to be placed against Old Age Security Pension cheques by private industry?

Hon. John C. Munro (Minister of National Health and Welfare): 1. (a) Section 20 (a) of the Old Age Security Act provides for the recovery of debts to the Crown in respect of benefit payments made under the Act, and to which the person was not entitled, from any future benefits payable under the Old Age Security Act. (b) Under the terms of Sections 95 (i) and 95 (iii) of the Financial

Administration Act, Treasury Board may authorize the Minister of Finance to recover debts due the Crown in right of Canada, and debts in the right of a province in respect of which Canada has contributed under the provisions of any Act, from any money payable by Canada, such as an Old Age Security pension.

The Old Age Security records are maintained in such a way that it is not possible to give the number of cases where pension payments are being withheld in whole or in part in reimbursement of debts referred to in (a) and (b) above.

2. No.

3. No.

SCHOOL ATTENDANCE, INDIAN CHILDREN

Question No. 1,104—**Mr. Orlikow:**

1. How many Indian children attend elementary schools and how many attend secondary schools?

2. How many of the children attending elementary and secondary schools are attending schools which are (a) purely Indian (b) integrated?

3. How does the percentage of Indian students attending elementary schools compare with the percentage of the whole population attending elementary schools?

4. How does the percentage of Indian students attending secondary schools compare with the percentage of the whole population attending secondary schools?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1 and 2. Enrolment of Indian pupils in elementary and secondary and Indian and integrated schools, for the year 1969-70.

	Indian	Integrated	Total
Elementary (grades K-8)	27,453	30,283	57,736
Secondary (grades 9-13)	249	7,512	7,761
Total	27,702	37,795	65,497

3 and 4. Percentage of Indian pupils attending elementary and secondary schools compared with the percentage of pupils of Canada attending elementary and secondary schools, for the year 1968-69.

	% in Elementary	% in Secondary
Indian Pupils 1968-69	89	11
Pupils of Canada 1968-69	72	28

[Mr. Munro.]

SCHOOL ATTENDANCE, INDIAN CHILDREN

Question No. 1,106—**Mr. Orlikow:**

1. How many Indian children are attending (a) elementary schools (b) secondary schools?

2. How does the percentage of Indian students attending secondary schools compare with the percentage of the whole population attending secondary schools?

3. How many Indian students are attending universities or other advanced educational institutions?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Parts 1 and 2. See answer to Question 1,104.

Part 3. Enrolment of Indian students in universities or other advanced educational institutions as of October 31, 1969. University, 245; Teacher Training, 30; Registered Nurses Training, 23; Total: 298.

RIVERS MONITORED FOR WATER POLLUTION

Question No. 1,110—**Mr. Rose:**

At present, which rivers in Canada is the Department of Fisheries and Forestry monitoring with respect to the extent of water pollution?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): The following rivers are checked on a regular or periodic basis:

Bulkley River
Fraser River
  Thompson River
  Stellako River
  Nicomeke River
  Nicola River
  South Thompson River
  Endako River
  Texas Creek
Nass River
Whonnock River
Somass (Estuary)
Marble River
Tsolum River
Jordan River
Miramichi River System
Saint John River System
Nepisiquit River
Exploits River
South Brook
Rambler Brook
Humble River (Estuary)

In addition there are a great many rivers and other waters that are investigated when some specific problem is brought to the attention of this Department.

HELICOPTERS

Question No. 1,111—**Mr. Robinson:**

How many helicopters are licensed in Canada, where are they located and what kind of service do they perform?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. (1) 505 Civil helicopters licensed in Canada by the Department of Transport.

(2) The Department does not keep a record of the continuing changes in locations of sites from which helicopters operate. The following list shows the total number of Canadian registered helicopters by Provinces and Territories. (a) B.C., 103; (b) Alta., 109; (c) Sask., 13; (d) Man., 23; (e) Ont., 155; (f) Que., 70; (g) N.B., 7; (h) N.S., 3; (i) P.E.I., nil; (j) Nfld., 1; (k) N.W.T., nil; (l) Yukon, 21.

(3) Helicopters are employed in commercial services licensed by the Air Transport Committee under the following categories: (i) Recreational Flying; (ii) Flying Training; (iii) Aerial Photography and Survey; (iv) Aerial Application and Distribution (Crop dusting, aerial fertilizing, etc.); (v) Aerial Inspection, Reconnaissance and Advertising; (vi) Aerial Construction; (vii) Aerial Control (Fire suppression, frost prevention, etc.); (viii) Charter Air Services (Scheduled and non-scheduled movement of passengers and cargo); (ix) Pipeline Patrol; (x) Traffic Reporting.

In addition, 41 helicopters are registered for state purposes and 59 for private purposes.

ANCIENNE-LORETTE POST OFFICE CONSTRUCTION

Question No. 1,122—**Mr. Godin:**

1. Is construction of a post office in Ancienne-Lorette, P.Q. scheduled in the programme of the Department of Public Works?

2. What is the cost of the land on which this post office is to be built?

3. From whom was the land purchased?

4. Will this post office be built during the year 1969-70?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Yes, on a build-to-lease basis.

2. The Department of Public Works will not purchase land.

3. Not applicable.

4. No.

[*English*]

COMPUTER FACILITIES GRANTS—IMPLEMENTATION OF ERWICK REPORT RECOMMENDATIONS

Question No. 1,127—**Mr. Skoberg:**

Has NRC implemented any of the recommendations presented in the report of Erwick, Curry and Partners Limited, of August 30, 1968, as they pertain to the Computer Facilities Grants Program with the universities and, if so, what changes have been made or are expected to be made in line with such recommendations?

Hon. C. M. Drury (President of the Treasury Board): Insofar as the National Research Council of Canada and Canadian Patents and Development Limited are concerned, the answer is as follows: 1. No. The changes which are planned for the Cumputer Facilities Grants are in line with the recommendation (No. 22):

The present form of NRC grants to university computing centres be discontinued, and that Computing for research be supported from the normal operating grants of all federal research councils.

made in the report of the Macdonald Committee for the Science Council of Canada (The Role of the Federal Government in Support of Research in Canadian Universities, Special Study No. 7, 1969).

UNIVERSITY RESEARCH SPONSORING BY U.S. CENTRAL INTELLIGENCE AGENCY

Question No. 1,162—**Mr. Rose:**

Is the government in a position to state whether the Central Intelligence Agency of the U.S.A. is currently sponsoring research in Canadian Universities and, if so (a) what was the general nature of the research for the years 1966, 1967, 1968 and 1969 (b) what Canadian universities received CIA grants, and what was the total grant for each of the years listed in Part (a) (c) will the appropriate government department provide a list of the specific research projects and the university where each project was undertaken for each of the years listed above?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Yes. The Government is in a position to state that the Central Intelligence Agency of the U.S.A. is not currently sponsoring research in Canadian universities and did not do so in 1966, 1967, 1968 or 1969.

2. (a)(b)(c) answered by 1.

CENTRAL NOVA POST OFFICE CLOSURES

Question No. 1,173—**Mr. MacEwan:**

1. How many post offices have been closed in Central Nova since June 25, 1968?

2. How many additional offices does the Post Office Department intend to close?

Questions

3. Where were the post offices located that have already been closed and what are the localities in which future closures will take place?

4. What is the estimate of the number of letters of complaints and protestations received from groups and individuals protesting the closing of the various post offices?

5. What is the estimated savings resulting from the closing of these post offices?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): 1. 17.

2. 15.

3, 4 and 5 see following:

3 (a) Post Office	5. Savings
East River Sheet Harbour	1,000.
Lansdowne Station	1,085.
Coddles Harbour	1,085.
Stormont	410.
Barneys River	1,327.
Sonora	1,400.
Wine Harbour	800.
Gays River	2,051.
Goldenville	Nil
East River, St. Marys	1,640.
McPhersons Mills	2,700.
Ecum Secum	*
Ecum Secum Bridge	*
South River Lake	700.
Bridgeville	1,200.
Lourdes	1,900.
Mushaboom	1,200.
Middle Stewiacke	2,000.

(b) Country Harbour Mines, Drum Head, Harrigan Cove, Issac's Harbour North, Liscomb Mills, Middle Country Harbour, Port Bickerton, Sheet Harbour Passage, Spanish Ship Bay, Spry Bay, Watt Section Sheet Harbour, Avondale Station, Egerton, Meadowville Station, and West Branch River John.

4. Departmental records are not maintained on the number of letters of complaint.

* Savings cannot be accurely attributed to one office as a combination of changes, involving the closing of more than one post office and the rearrangement of various mail transportation services, have occurred. As a result of the various changes involved, an approximate saving of $3,000. was realized.

LENGTHENING OF RUNWAYS, ANCIENNE-LORETTE AIRPORT

Question No. 1,181—**Mr. Godin:**

Has the government made a study in connection with the lengthening of the runways at Ancienne-Lorette airport and, if so, what plans have been made and when is this work expected to be carried out?

[Mr. MacEwan.]

Hon. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): This matter has been studied, and there are no plans for the lengthening of the runways at the Ancienne-Lorette Airport during the next five years.

LAC LA BICHE NEWSTART PROJECT—MACHINERY AND EQUIPMENT PURCHASES

Question No. 1,186—**Mr. Benjamin:**

1. Has the government authorized the Alberta Newstart project at Lac La Biche to purchase 4 cats, 5 trucks and 1 back hoe from a Mr. W. Hamilton, Contractor, in Lac La Biche and, if so (a) what price was paid for this equipment (b) was it purchased on the tender system?

2. Is Mr. Hamilton on the Board of Directors of Newstart and, if so (a) is he being paid a salary (b) what is this salary?

3. Has any kitchen equipment been purchased for this Newstart school project and, if so (a) from whom (b) at what price (c) was it purchased on the tender system?

4. Have any pool tables been purchased recently for this Newstart project at Lac La Biche and, if so (a) from whom (b) what was the price paid (c) was this equipment purchased on the tender system?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1, 3 and 4. Newstart corporations are non-profit companies set up under the legislation of the province in which they operate. Annual plans and budgets are approved by the federal government and the provincial government concerned. Specific expenditures are then the responsibility of the corporation. These enquiries therefore should be addressed to the Executive Director, Alberta Newstart Inc., Lac La Biche, Alberta.

2. Yes. (a) and (b). These enquiries should be made as above.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE GRANTS

Question No. 1,200—**Mr. Orlikow:**

Under the formula for the equitable distribution among the provinces of federal contributions under the Technical and Vocational Training Assistance Act for financial assistance to the capital cost of training facilities, how much has already been paid, or agreed to be paid, to each province, expressed both in dollars and as a percentage of the total amount each province is entitled to receive under the formula and how much remains to be paid or agreed to be paid to each province under the formula from March 31, 1967 to March 31, 1969?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Federal contributions to the provinces for the capital cost of training facilities provided under the Technical and Vocational Training Assistance Act and the Adult Occupational Training Act are shown in millions of dollars in the table attached.

Federal Contribution to Capital Cost of Training Facilities
(In Millions of Dollars)

Province	Entitlement $ (a)	Paid Apr. 1, 1961 to Mar. 31, 1967 $	Percent of Entitlement (b)	Paid Apr. 1, 1967 to Mar. 31, 1969 $	Percent of Entitlement (c)	Balance of Entitlement as of Mar. 31, 1969
Newfoundland	35.06	21.30	60.8	1.00	63.6	12.76
Prince Edward Island	7.10	2.60	36.6	.29	40.7	4.21
Nova Scotia	51.39	10.47	20.0	19.34	58.0	21.58
New Brunswick	42.81	7.16	16.7	10.08	40.3	25.57
Quebec	373.94	131.00	35.3	99.82	61.7	143.12
Ontario	349.51	278.87	79.8	46.69	93.2	23.95
Manitoba	56.65	11.71	20.1	11.22	40.5	33.72
Saskatchewan	58.29	13.38	23.0	16.33	51.0	28.58
Alberta	79.20	68.14	86.0	7.39	95.4	3.67
British Columbia	90.12	44.07	48.8	10.39	60.4	35.66
Yukon Territory	.93	.93	100.0	—	100.0	—
Northwest Territory	1.36	.07	5.2	—	5.2	1.29
Canada	1,146.36	589.70	51.4	222.55	70.9	334.11

(a) Entitlement—amount federal government agreed to pay=$800 times the population of the province in the 15 to 19 years age group (inclusive according to the 1961 DBS census.

(b) Amount paid to March 31, 1967 as percentage of entitlement.

(c) Amount paid to March 31, 1969 as percentage of entitlement.

SEARCH AND RESCUE—DISTRESS AIR INCIDENTS

Question No. 1,208—**Mr. Korchinski:**

1. In each of the past two years, how many planes have made forced landings?

2. Of this number, how many have been lost where searches have been conducted?

3. What is the total estimated cost of the searches that were involved?

4. In what provinces or territories were these searches conducted.

Hon. Léo Cadieux (Minister of National Defence): 1 and 2. Forced landings are defined as aircraft landings which for any reason occur away from planned or stated destination of the flight. They frequently occur without loss or damage to the aircraft or significant action by control authorities. No reports are made on these unless an accident occurs. The Department of National Defence records all incidents involving the use of Search and Rescue facilities but no statistics are available differentiating the specific causes of the incidents. In 1968 and 1969 respectively, there were 138 and 133 Distress Air Incidents requiring Search and Rescue action.

3. As Order-in-Council P.C. 1962-13/653, dated 2 May, 1962, stipulates no fee will be charged for humanitarian assistance, specifically search and rescue, no record of costs of individual searches is maintained. However, an estimate, based on the percentage of total hours flown in 1968 and 1969, is approximately $4.8 million and $6.1 million respectively.

4. There were Distress Air Incidents, involving Search and Rescue action, in each of the provinces and territories.

UNION DUES INCOME TAX EXEMPTIONS

Question No. 1,238—**Mr. Mather:**

What was the total of union dues income tax exemptions in the years 1968 and 1969?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1968, $137,978,000; 1969, not available.

The figure for 1968 is an aggregate of union, professional and like dues and no separate figure is available for union dues.

Questions

*FINANCE—CRITICISM OF WHITE PAPER

Question No. 1,270—**Mr. Diefenbaker:**

How many letters, telegrams and/or other communications criticizing or condemning the White Paper in whole or in part have been received by the Prime Minister since the 1st of January, 1970?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the answer to starred question No. 1270 is that a total of 666 letters, telegrams and other communications were received by the Prime Minister (Mr. Trudeau) between January 1 and February 28, 1970, criticizing the white paper on the tax reform in whole or in part.

COMPANIES IN PANARCTIC OIL

Question No. 1,288—**Mr. Gauthier:**

What are the names of the 20 private companies forming part of *consortium* Panarctic Oil and the percentage of their investments?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The names of participants, their addresses and the percentage of equity in Panarctic Oils Ltd. held by each are as follows:

	Equity Percent
Canadian Pacific Oil and Gas Limited, 205—9th Avenue S.E., Calgary 21, Alberta	9.03490
Cominco Ltd., No. 3100—630 Dorchester Blvd. West, Montreal, P.Q.	9.03490
Bankeno Minies Limited, c/o Day, Wilson, Campbell, 250 University Avenue, Toronto, Ontario	2.25875
Thor Exploration Company Ltd., Room 117, 1255 University St., Montreal 2, Quebec	4.51745
Canadian Nickel Company Limited, P.O. Box 44, Toronto-Dominion Centre, Toronto 1, Ontario	4.51745
Noranda Mines Limited, 1700 The Bank of Nova Scotia Building, 44 King Street, West, Toronto 1, Ontario	4.51745
Bow Valley Industries Ltd., 630—6th Avenue S.W., Calgary, Alberta	2.25875
Bocadel Oil Corporation, c/o Barber Oil Corporation, 2627 Tennessee Building, Houston, Texas 77002	4.51745
Dome Petroleum Limited, 360 Bay Street, Toronto, Ontario	.81315
Campbell Red Lake Mines Limited, 360 Bay Street, Toronto, Ontario	.40655
Sigma Mines (Quebec) Limited, 360 Bay Street, Toronto, Ontario	.13555
Canadian Gridoil Limited, 330—9th Avenue S.W., Calgary, Alberta	.94865
Conick Petroleums Ltd., 330—9th Avenue S.W., Calgary, Alberta	.27105
Scenic Oils Ltd., 330—9th Avenue S.W., Calgary, Alberta	.13555
*Westburne Petroleum and Minerals Ltd., 202 Dome Building, 706—7th Avenue S.W., Calgary, Alberta	2.25870
Eagle Ridge Petroleum Ltd., No. 3200—630 Dorchester Boulevard West, Montreal, P.Q.	4.51745
Eric Connelly, 1135 Beverley Boulevard S.W., Calgary, Alberta	.11295
Canadian Industrial Gas & Oil Ltd., 640—8th Avenue S.W., Calgary, Alberta	.67760
Government of Canada	55 percent
	45 percent
	100 percent

*Westburne Petroleum and Minerals Ltd. is the new name of the amalgamated companies, Anticline Petroleums Ltd. and Excell Petroleums Ltd. (each holders of equity in Panarctic) which are affiliated subsidiaries of Commonwealth Petroleum Services Ltd., 202 Dome Building, 706—7th Avenue S.W., Calgary. Thus, the original list of 20 participants in Panarctic, exclusive of the Government, has been reduced to 19.

EFFECT OF VALUE—ADDED TAX

Question No. 1,298—**Mr. Robinson:**

How would the imposition of a "value—added tax" affect (a) all present economy (b) inflation?

Hon. E. J. Benson (Minister of Finance): (a) This question is too vague to be answered. (b) If it was additional to existing taxes it would increase prices. If it were substituted for other taxes the effects would depend on what was dropped.

[Mr. Côté (Longueuil).]

COST OF RALEIGH WEST WHARF REPAIRS

Question No. 1,303—**Mr. Peddle:**

What was the cost of repairs to the wharf at Raleigh West (Pistolet Bay) carried out by Pinsent Construction Co. in late 1969?

Hon. Arthur Laing (Minister of Public Works): $1,286.

TEACHERS EMPLOYED BY INDIAN AFFAIRS BRANCH

Question No. 1,319—**Mr. Orlikow:**

1. How many teachers were employed by the Indian Affairs Branch of the Department of Indian Affairs and Northern Development in the year 1968-69?

2. Of this number, how many of the teachers were in the classification of (a) teacher aide or unqualified teacher who had no professional teacher training (b) the sub-level who had only junior matriculation education and one year of teacher education (c) level 1 who had senior matriculation and one year of teacher education (d) level 2 who had senior matriculation and two years of teacher education (e) level 3 who had senior matriculation and three years of teacher education (f) level 4 who had senior matriculation and four years of teacher education (g) level 5 who had senior matriculation and five years of teacher education (h) level 6 who had senior matriculation and six years of teacher education?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. In 1968-69, 1,480 teachers were employed by the former Indian Affairs Branch of the Department of Indian Affairs and Northern Development.

2. (a) Teacher aide or unqualified teacher level, 112; (b) junior matriculation and one year of teacher education, 121; (c) senior matriculation and one year of teacher education, 530; (d) senior matriculation and two years of teacher education, 281; (e) senior matriculation and three years of teacher education, 148; (f) senior matriculation and four years of teacher education, 185; (g) senior matriculation and five years of teacher education, 66; (h) senior matriculation and six years of teacher education, 37.

PERSONS ENTERING CANADA AT CHIEF MOUNTAIN, ALBERTA

Question No. 1,320—**Mr. Sulatycky:**

How many persons entered Canada at the Chief Mountain, Alberta, Port of Entry between September 15 and October 1, in each year 1964, 1965, 1966, 1967, 1968?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1964, 498; 1965, 479; 1966, 981; 1967, 1,896; 1968, 773.

PASSPORT OFFICES

Question No. 1,364—**Mr. Rodrigue:**

Is the Department of External Affairs planning the opening of passport issuing offices during 1970?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes. The offices were opened on the following dates: Montreal, February 23; Toronto, March 2; Vancouver, March 9.

[*English*]

FEASIBILITY STUDY OF MARINE OIL TERMINAL ON ARCTIC COAST

Question No. 1,378—**Mr. Skoberg:**

1. Did the Department of Public Works issue a competitive tender regarding an economic and technical feasibility study of a proposal to develop a marine oil transport terminal on Canada's Arctic coast and (a) if not, for what reason (b) if so, what were the respective bids and which company was awarded the contract?

2 When is it anticipated that this feasibility study will be completed and will the study be made public?

Hon. Arthur Laing (Minister of Public Works): 1. No. (a) The Department does not usually call for tenders when professional services are required for economic or technical studies. (b) Not applicable.

2. The feasibility study is expected to be completed by the end of December 1970. Whether or not the study will be made public cannot be determined at this time.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DDT—USE BY FEDERAL DEPARTMENTS

Question No. 576—**Mr. Harding:**

1. How many federal departments use DDT in any of their control programmes?

2. What amount of DDT was obtained by each department in the fiscal years from April 1, 1965 to March 31, 1969 and in the current fiscal year?

3. What is the approximate amount of DDT presently in stock in each department?

4. Have adequate substitutes been found for DDT in any of the programmes in which it was used and, if so, what are the programmes and the substitute now used?

Return tabled.

BIOLOGICAL PESTICIDES

Question No. 707—**Mr. Nesbitt:**

1. Are any biological pesticides in the form of a virus made available by any department of the government and, if so, under what terms and conditions?

Inquiries of the Ministry

2. Does any department of the government carry out basic research in the field of biological pesticides and, if so, which department and under what terms and conditions?

3. How long have biological pesticides been made available by the government?

4. Have any surveys been made to check on the possible dangers of the use of such pesticides?

Return tabled.

INTERDEPARTMENTAL COMMITTEE ON SPACE RESEARCH

Question No. 1,001—**Mr. Orlikow:**

Has an interdepartmental committee been established to advise the government on space research and, if so, what are the committee's terms of reference and who are its members?

Return tabled.

ORAL QUESTION PERIOD

RESOURCES

MINERAL—ENERGY—REPRESENTATIONS TO CANADA BY UNITED STATES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question normally would be for the Minister of Energy, Mines and Resources but in his absence I shall direct it to the Acting Prime Minister. In view of expressed United States concern over diminishing mineral resources in that country, has the United States government or any official of that government made any overtures or opened any discussions toward negotiating for a package deal involving Canada's mineral and energy resources?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. member knows, when the Prime Minister met with the President at the beginning of last year they announced there would be joint talks between Canada and the United States in the field of energy. These talks have not proceeded much further. Recently we have been having discussions about oil, and in this context the question has been raised about having over-all policies in harmony in both countries. But that is about as far as the discussions have proceeded.

Mr. Lambert (Edmonton West): At that time were any representations made to the government in respect of non-petroleum mineral resources?

[Mr. Nesbitt.]

Mr. Sharp: No, Mr. Speaker. The discussions which have taken place have been with regard to petroleum in relation to energy rather than in relation to minerals.

Mr. Lambert (Edmonton West): I have a further supplementary, Mr. Speaker. Will the minister advise whether he or his departmental officials have asked for a copy of the statements emanating from Washington this past weekend with regard to the problem in respect of mineral resources in the United States and the necessity of having a continental policy?

Mr. Sharp: We expect we will be informed about the official United States government position. If we were to ask for all the statements made recently by those who may or may not speak on behalf of the government there would be a great many to ask for, but we are following the situation closely.

Mr. David Lewis (York South): Mr. Speaker, may I ask the Acting Prime Minister whether I am right in understanding that there have been no written submissions by any officer of the United States administration with regard to an over-all energy policy and that these discussions have all been oral at these meetings?

Mr. Sharp: Well, Mr. Speaker, I would not want to mislead the House or the hon. member. Some words have been committed to paper but not in the form of submissions from the United States government to the Canadian government; there have been exchanges of views, some of which have been put down on paper in the form of draft statements which could have been made by the United States government. These views were under discussion from time to time but did not come in the form of proposals to the Canadian government.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I ask the Acting Prime Minister whether there have been any discussions with regard to the possible export of water to the United States?

Mr. Sharp: No, Mr. Speaker. Water was specifically excluded from any discussions that have taken place.

LABOUR CONDITIONS

TORONTO—LAY OFFS BY DUNLOP CANADA LIMITED—LEGISLATION AND PROVISION OF EMPLOYMENT

Mr. John Gilbert (Broadview): My question is directed to the Minister of Labour. In view

of the lay-off of 597 employees in the industrial products division of Dunlop Canada on Friday, no prior notice having been given to the employees affected, is it the intention of the minister to introduce legislation to prevent a recurrence of this situation in other industries by making a company give adequate notice to the employees affected and present a plan for the gradual phasing out of a particular industry?

Hon. Bryce Mackasey (Minister of Labour): I am not familiar with that particular industry. I assume it must be under provincial jurisdiction. Most unions of any quality make the necessary provisions under collective agreements to protect their own members against these sudden lay-offs.

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker, which I should like to address to the Minister of Manpower and Immigration. In view of this lay-off of nearly 600 people in Toronto, what actual or special steps have been taken by his department to find employment for the employees who are out of work as a result of this action, especially for the older employees? I understand that a considerable number of senior employees are involved.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The department will, of course, do everything possible to assist. We are having a meeting this afternoon with officers of the company in Toronto to determine what most effective way can be employed to assist in the situation.

Mr. David Lewis (York South): May I ask the Minister of Manpower and Immigration first whether he was informed of the company's intention to close down this plant some two or three weeks ago and, if so, whether in the meantime any discussions have taken place with the union concerned as well as with the company to find jobs for those who are affected?

Mr. MacEachen: I think the answer is yes to all parts of the question except that I would like to check further on the extent of discussions that might have taken place with the union.

Mr. Lewis: Could the minister inform the House whether any conclusions have been arrived at and whether any plans are at least on paper for finding alternative jobs for the persons affected?

Mr. Speaker: Order, please. It seems to me the hon. member is repeating a question which was asked earlier by another member.

POLLUTION

SECOND VOYAGE OF "MANHATTAN"—AGREEMENT OF HUMBLE OIL COMPANY TO REGULATIONS

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Transport, but since it is not his day in the House I will put it to the Secretary of State for External Affairs. In view of the fact that Canada has, as the minister puts it, acquiesced in another voyage by the *Manhattan,* can he say whether the Humble Oil and Refining Company as owners of the vessel have yet agreed to the regulations and requirements being laid down for this voyage by the government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I think that question ought to be directed to the Minister of Transport when he is in the House. As I have said on many occasions, the United States government is not asking for permission; it is only the Humble Oil Company that is sending its tanker through our waters, and the correspondence is taking place between the Minister of Transport and the Humble Oil Company, as is quite appropriate. So I think the question should be directed to the Minister of Transport when he is here.

Mr. Nesbitt: I realize that the Secretary of State for External Affairs is right in suggesting that perhaps any questions on details should be directed to the Minister of Transport, but perhaps the minister could tell us whether or not the company has agreed to the regulations in view of the fact that the minister has some interest in this project?

Mr. Speaker: Order, please. It seems to me that the hon. member is repeating the question asked in the first instance.

Mr. Nesbitt: Perhaps Your Honour did not notice, but I believe the minister was prepared to answer the question.

Mr. Sharp: I see no urgency for an answer to the question today rather than tomorrow when it can be directed more appropriately to the Minister of Transport.

Mr. Nesbitt: We do not know when he is going to be here.

Inquiries of the Ministry

PUBLIC BUILDINGS

MONTREAL—CONSTRUCTION OF COMPLEX

Mr. Warren Allmand (Notre-Dame-de-Grâce): I have a question for the Minister of Public Works but in his absence I shall direct it to the Minister of Regional Economic Expansion. Would the minister state whether the federal government has any plans to build a multi-million dollar complex in the middle of Montreal and, if so whether it is ready to go ahead with this project?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): As far as I know, Mr. Speaker, the federal government has not yet made any agreement or taken any decision about this matter.

[*English*]

AIR TRANSPORT

ACTION TO PREVENT HIJACKING OF AIRCRAFT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Will he tell the House what progress has been made by ICAO to bring about a system of sanctions against those nations that seem to give approval or support to terrorism on aircraft in any way? Would he also say whether or not Canada intends to join with other countries in the United Nations to bring about a quarantine of such airlines that in any way condone hijacking?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman knows, Canada has probably been more active in this field than any other country. We have been supporting measures of this kind in ICAO. We have been supporting activity that is going on within the United Nations, and we have been carrying on bilateral discussions with Cuba which we hope will contribute something to the cessation of these activities at least in one direction. The question is an extremely difficult one because of the difficulty of finding appropriate sanctions that will indeed prevent this kind of activity, but I can assure the right hon. gentleman knows, Canada has probably all measures that seem to us are likely to help. The most important measure, of course, is one that we have not yet got agreement on, and that is that those who indulge in such activities should be made available for trial either at home or in the countries whose aircraft they affect.

[Mr. Nesbitt.]

Mr. Diefenbaker: Will the minister say whether or not there are, in addition to the one example named by him of what he has endeavoured to have done, other ideas that Canada has advanced? Second, I repeat the question I asked earlier. What are the possibilities of joint action by the nations in the United Nations to bring about a cessation or at least to render less attractive the opportunities for those who might have hijacking in mind?

Mr. Sharp: Well, Mr. Speaker, I can assure you that this is our objective as it is the objective of everyone in this House, but it is very difficult to know how to take sanctions against individuals who put bombs on aircraft. If it were possible to name the guilty party and bring him to trial and see justice was done, the matter would not require very much explanation, but as the right hon. gentleman knows it is much easier to deal with those who can be brought before the courts than it is with those who cannot be found.

Mr. Diefenbaker: Mention was made by the minister of Cuba. Has the government of Canada any purpose in mind of placing Cuba, as it were, on a sanctions list? I am not talking of individuals having sanctions against them, but Cuba seems to be in the position of having a welcome mat for all those who wish to hijack.

Mr. Sharp: Yes, Mr. Speaker, that is the purpose of the agreement we are working out with the Cuban government, namely, to see that anyone who engages in hijacking will be returned for trial.

AGRICULTURE

FARM CREDIT CORPORATION POLICY RESPECTING ARREARS ON LOAN PAYMENTS—REVIEW BOARD

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Is it the policy of the Farm Credit Corporation, when farmers are in arrears on their loan payments, to demand voluntary assignment or, failing to get that, to institute seizure procedures to the extent of one-third of farmers' delivery quotas in the current crop year?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, that is not over-all policy, but there may be cases where these arrears are under contracts that have been in arrears for some time. With regard to such cases, if the

hon. member will give me more specific details so that I can identify the accounts I will be able to give him a more complete explanation.

Mr. Benjamin: Mr. Speaker, a supplementary question. In view of the minister's answer in the House on February 17, as found on page 3680 of *Hansard*, I should like to ask whether or not the Farm Credit Corporation has notified all those who are in arrears on their loans that they may make application for deferment of payments?

Mr. Olson: Yes, Mr. Speaker. I think this has been given as much publicity as is appropriate, but I should draw to the hon. member's attention the fact that this is generally the case in so far as the limitations on grain marketing have been concerned. There are some contracts that are in arrears and have been in arrears from the time before there was any restriction on wheat marketing and these, of course, fall into a slightly different category.

[*Later:*]

Mr. A. P. Gleave (Saskatoon-Biggar): May I direct a question to the Minister of Agriculture with reference to the Farm Credit Corporation. If the policy of payment deferment is not generally known, will the government set up a review board, independent of the Farm Credit Corporation, to which farmers may apply if they feel they have been subjected to undue pressure?

Mr. Olson: Mr. Speaker, I could give some consideration to that but at first blush I do not see the value of it. In western Canada, where the tight grain marketing situation is the major problem related to these arrears, that has been followed. In all cases where there were no arrears up to and including 1967 these applications for deferment, if they have been substantiated with facts related to the cash flow into the farmer's hands, have been taken into account.

Mr. Gleave: A supplementary question, Mr. Speaker. Would the Minister of Agriculture make arrangements so that farmers may appeal directly to him or so that the Farm Credit Corporation will refer to his department and to himself cases where they are demanding other action than deferred payments?

Mr. Olson: Mr. Speaker, I do not quite understand the implication of the question—"other action than deferred payments". If the hon. member would like to communicate what he means by "other action" and define it, I would be glad to consider it.

Mr. Speaker: Order, please. Perhaps we can return to the subject in a few moments.

GRAIN

WHEAT—INCLUSION OF LAST YEAR'S SUMMERFALLOW ACREAGE IN SETTING QUOTAS

Mr. George Muir (Lisgar): Mr. Speaker, my question was to be directed to the Minister without Portfolio responsible for the Wheat Board but in view of the importance of the question to the agricultural industry perhaps the Minister of Agriculture would answer it. In view of the fact that western farmers reduced their wheat acreage by approximately five million acres last year, would the minister give consideration to using last year's total summerfallow acreage as well as this year's as a more equitable basis for setting the farmers' wheat quota in the forthcoming crop year?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, this has already been taken into consideration and we are prepared now to give some consideration to the number of acres that will be in the permit book for the 1970-71 selling season. But I am sure my hon. friend will recognize that if the over-all concept of the plan, that is, to reduce the inventory of wheat, is to be kept in mind, there are limitations on how far we can go with that.

Mr. Muir (Lisgar): A supplementary, Mr. Speaker. Would the minister agree with me that by spreading the extra five million acres, adding it to this year's summerfallow as a basis, that it would be a better idea even to reduce the quota?

Mr. Speaker: The hon. member is asking the question in the form of a suggestion which he has to assume will be considered.

WHEAT—DETAILS OF ACREAGE REDUCTION PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wonder if the Minister for Agriculture could indicate when the details of such provisions will be announced in the House so that those farmers affected may be able to apply the program early in the spring?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, a circular in the form of the agricultural farm letter has been completed

and I believe some of them were mailed on Saturday. I am not exactly sure about the balance, but my information last Thursday was that they would be ready for mailing on Saturday and the remainder would be mailed to every permitholder in western Canada today and tomorrow.

Mr. Mazankowski: A supplementary question, Mr. Speaker. I wonder if the minister could indicate whether or not consideration is being given as well to those who increased their perennial forage in 1968 and 1969 in applying the wheat inventory reduction program?

Mr. Olson: Yes, Mr. Speaker, we had that under consideration, but I do not think that any special provisions in the details have been made for that particular situation.

THE CANADIAN ECONOMY

INFLATION—LIMITATION OF USE OF CREDIT CARDS

Mr. R. L. Whiting (Halton): Mr. Speaker, I have directed this question to the Minister of Finance but I should now like to redirect it to the Minister of Consumer and Corporate Affairs. Has the government or the Prices and Incomes Commission made representations to the credit card companies and those companies and financial institutions who use this method to help promote business, requesting them to regulate the availability and limit the use of these cards in an effort to combat inflation?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Not specifically, Mr. Speaker, but we have called upon the financial institutions to exercise restraint and at the end of the year I also asked all lending institutions for a review of their expenditures in the preceding year and their type of advertising material. This is now being analysed.

REGIONAL ECONOMIC EXPANSION

STATEMENT ON POLICIES—CONSIDERATION OF ESTIMATES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion. In view of the growing concern in the country over the failure of the government's recent development policies to cope with the serious problems of regional disparity—

[Mr. Olson.]

Mr. Speaker: Order, please. The hon. member knows that he has to ask the question directly. I suggest that the words in the preface to the question are not quite in order.

Mr. McGrath: Mr. Speaker, perhaps you will allow me to rephrase the question. Would the minister be prepared to make a statement in the House to ease the growing concern in the country over the failure of his regional economic development policies? I am thinking now, Mr. Speaker, of the speech made a few days ago by an economist of the University of Montreal—

Mr. Speaker: Order, please. The question as asked is not in order. The hon. member can ask a question to seek information but it should not be presented in the form the hon. member is attempting to use.

Mr. McGrath: Perhaps I can try a third time to phrase my question. Is the minister now prepared, in view of the concern felt about regional development problems, to expedite referral of his estimates to the Standing Committee on Regional Development so that members will have an opportunity at least to quiz the minister's officials since we cannot get any information in the House from the minister?

Hon. Jean Marchand (Minister of Regional Economic Expansion): My estimates are now before the committee, Mr. Speaker. If the hon. gentleman wants to have that information, I think he can get it there.

Mr. McGrath: On a question of privilege or a point of order, Mr. Speaker, with great respect, the minister's estimates are not before the committee. The committee has not met and we have not had an opportunity to consider the minister's estimates. I am asking the minister if he would expedite referral of his estimates to the committee so that we can get into this subject which is of growing concern?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, may I point out to the hon. member that the main estimates for 1970-71 were referred to committees on February 18.

Mr. McGrath: A supplementary question to the Government House Leader, Mr. Speaker. Would he use his substantial influence on the chairman of the Standing Committee on Regional Development so that the committee can meet and consider the estimates?

Mr. Macdonald (Rosedale): Mr. Speaker, I will certainly be glad to be an advocate for the hon. member.

NOVA SCOTIA—SIGNING OF AGREEMENT WITH PROVINCE

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I have a supplementary question. Does the Minister of Regional Economic Expansion still hope to sign an agreement with the province of Nova Scotia as of April 1, 1970, for programs in that province?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I still hope, Mr. Speaker.

INCLUSION OF REGINA AND SASKATOON IN INCENTIVES PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): I have a question for the Minister of Regional Economic Expansion, Mr. Speaker. In view of recent reports in the Saskatchewan press to the effect that the government is now considering the inclusion of Regina and Saskatoon under the regional development incentives program, can the minister indicate to the House whether the government has made that decision?

Mr. Speaker: Order, please. I have expressed misgivings and reservations in the past about whether this type of question may be asked because most of the question period might be used from day to day in asking whether this region or that city is included in the program. The question has been asked, however, and perhaps for this once it might be allowed. The minister may want to reply.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Well, Mr. Speaker, I think I have reason to believe that I can announce the special areas in Canada very soon.

NEWFOUNDLAND—DETAILS OF AGREEMENT ON DEVELOPMENT PROGRAM

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. Will the minister be prepared, since the House is rising on March 25, to make a statement on motions soon indicating the details of the plan under the agreement which is to be signed with the province of Newfoundland on April 1, as claimed by the province?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I think the whole matter is somewhat confused. I do hope I shall be able to announce before Easter where the special zones will be in Canada. But it will be extremely difficult to give details about all the agreements, as there must be prior agreement with the provinces on each project.

[*English*]

SASKATCHEWAN—DECISION ON EXTENSION OF INCENTIVE PROGRAMS

Mr. John Burton (Regina East): A supplementary question, Mr. Speaker. In view of remarks made by the minister in the House on a previous occasion, is he now able to inform the House if he has reached a decision on the extension of incentive programs which would include not only Regina and Saskatoon but northwestern Saskatchewan and programs affecting Indian and Métis people in various parts of Canada?

[*Translation*]

Hon Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I said earlier that very soon I would have the opportunity to tell the House which special areas have been designated by the government and the hon. member will then be able to see what regions have been chosen as special areas.

[*English*]

Mr. McGrath: A further supplementary question, Mr. Speaker. Will the minister define to the House his interpretation of "soon". Does that mean tomorrow, next week, next month or next year?

Mr. McIlraith: Consult a dictionary.

[*Translation*]

AGRICULTURE

DAIRYING—DATE OF ANNOUNCEMENT OF POLICY

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Agriculture.

In view of the increasing concern felt by the milk producers of eastern Canada, on the one hand, and the rather evasive statements made by the minister with regard to the establishment and announcement of the new dairy policy, on the other hand, can the Minister of Agriculture tell the House when the

new milk policy for next year will be announced and, if so, whether he will get in touch with the unions concerned before making this announcement?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, I cannot give the precise date. As a matter of fact, all the people involved realize that this announcement should come by the end of this month, and the sooner the better. I do not want to cut off the negotiations and discussions going on now between the Dairy Commission, representatives of the industry and the producers' organizations because, while a lot of progress has been made, several matters are still outstanding.

POLLUTION

REPORTED OIL IN SEA OFF ALASKA

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I have a question for the Acting Prime Minister. In the light of numerous reports over the weekend concerning oil appearing in the sea off the southwest coast of Alaska, would the Acting Prime Minister watch this unusual event very closely and cause investigations to be made to see if there is any connection between this oil leak and the comparatively recent underground nuclear test at Amchitka in the same general area?

Mr. Speaker: Order, please. It seems to me the parliamentary secretary is making a suggestion or representation to the Acting Prime Minister. In this way I think we must assume that his representation will be considered.

EXTERNAL AFFAIRS

TRINIDAD AND GUYANA—ANTI-CANADIAN INCIDENTS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the Acting Prime Minister concerning the publicized and regrettable incidents in Trinidad and Tobago. Can he advise what steps are being taken to assure the protection of Canadian lives and property in the area?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker. We have been in touch from day to day, indeed, more frequently than that, with our representatives in Trinidad and Guyana, the other place where there have been some problems, and the advice we have received so far is reassuring. I can assure the hon. gentleman that we shall be following this matter closely and doing everything we can to protect the lives and property of Canadians. I am told by our High Commissioners in both places that the danger is not great.

Mr. Macquarrie: A supplementary question, Mr. Speaker. Will the minister consider having the matter fully investigated and possibly making a statement so that we may forestall any misunderstandings or events which could mar the close and valuable friendship between our countries?

Mr. Sharp: Mr. Speaker, I would consider doing that. The hon. gentleman should know that we have been in communication with the High Commissioners of these countries in Canada to acquaint them with the process of justice in Canada and assure them, as I assured the House in a statement made some time ago, that we are doing everything we can to make sure this is a society in which racist influences do not prevail. I believe the situation is well understood, but if there is any reason why I ought to supplement what has been done I will not hesitate to do so.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration. Will the minister undertake to the House that in future, when students apply to enter Canada from other countries, their backgrounds will be investigated to make sure they are bona fide students and not members of international revolutionary movements who wish to come here for purposes that have little to do with studying?

Some hon. Members: Oh, oh!

Mr. Nesbitt: This is no laughing matter, Mr. Speaker.

REPORTED PLACING OF U.S. ANTI-BALLISTIC MISSILES ON GREAT LAKES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs arising out of news reports and suggestions that the Congress of the United States is considering placing water-based anti-ballistic missiles on the Great Lakes and at locations off the coast of Alaska and in Baffin Bay. Has the government of Canada been in contact with the government of the United States with regard to a plan of this nature?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. This is the first time I have heard the reports. We have certainly had no communication or advice of this kind from the United States.

Mr. Forrestall: A supplementary question, Mr. Speaker. Can the minister indicate whether it will be his intention to speak to the United States government and obtain information on this project, or does the government perhaps consider that the Rush-Bagot Treaty, which prohibits warships on the Great Lakes, is now passé and should no longer be adhered to?

Mr. Sharp: Mr. Speaker, I am confident that if the United States had plans of this kind that country would consult us.

HIGHWAYS

EFFECT ON SAFETY OF TRUCK OPERATION ON SUNDAYS

Mr. Barry Mather (Surrey): Mr. Speaker, my question was to have been directed to the Minister of Transport. Since this is not his day to be in the House and since his Parliamentary Secretary is not here, I would ask an appropriate member of the government to take my question as notice. Having in mind the application by a major Canadian trucking company for unrestricted use of Canadian highways on Sundays and the likely adverse effects on traffic safety, would the minister say whether he intends to look into this important matter?

IMMIGRATION

ASSISTANCE TO POLISH IMMIGRANT TO RETURN TO NATIVE LAND FOLLOWING DETENTION IN MENTAL HOSPITAL

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether he would make a report to the House on the case of a 61-year old Polish immigrant now residing in the constituency of Parkdale, known as Mikolaj Gilewicz, who was detained by Ontario Hospital authorities for the past nine years and who recently visited the Toronto immigration office requesting assistance to return to his native land?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I will be happy to look into the case and give any information that is connected with the man's immigration status.

Mr. Haidasz: A supplementary question, Mr. Speaker. Has the minister had the opportunity to contact the provincial authorities to discuss the feasibility of investigating or reviewing the files of mental patients who are immigrants and unable to communicate in the working language of that mental hospital?

Some hon. Members: Hear, hear.

Mr. MacEachen: Mr. Speaker, I have had no communication with the provincial authorities on the subject but would be happy to consider the hon. member's question.

Mr. Paproski: Check into Danny the Red, too.

MANITOBA CENTENNIAL

ASSISTANCE FOR BASEBALL TOURNAMENTS

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Minister of National Health and Welfare who I understand is unavoidably absent. In view of the urgency of the question perhaps I could direct it to his Parliamentary Secretary. Having regard to the fact that Manitoba is acting as host for both the senior baseball championship and the national junior championship as part of its centennial celebrations this year, will the minister be announcing generous assistance under the fitness and amateur sports program soon?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): I shall be glad to bring this matter to the attention of the minister.

Mr. George Muir (Lisgar): Since it has been the practice of the Department of National Health and Welfare to pay the fares of the visiting teams for the final games in the Canadian amateur baseball championships, would the hon. gentleman assure the House that this practice will be continued, particularly having regard to the extra expenses the towns involved are bearing in connection with the centennial celebrations?

Mr. Speaker: The hon. member is making a representation to the minister and he has to assume that the proposition will be considered by the government or by the minister concerned.

Mr. Jack Cullen (Sarnia): Would the hon. gentleman also bring it to the attention of the minister that both these requests were admirably summed up in a letter I wrote three weeks ago?

Inquiries of the Ministry

Mr. Knowles (Winnipeg North Centre): He has probably not received it yet.

[*Translation*]

POST OFFICE

MONTREAL POSTAL DISPUTE

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Postmaster General and Minister of Communications.

Can he tell the House today whether a definite solution has been arrived at in the postal dispute which has been causing some inconvenience to the population recently. If not, what is the present situation?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): Mr. Speaker, as everyone knows, my colleague the Minister of Labour has been examining the matter in Montreal for several weeks and I am awaiting his recommendations and report.

Mr. Fortin: Mr. Speaker, I have a supplementary question.

In view of the answer given by the Postmaster General and Minister of Communications, my question is directed to the Minister of Labour.

May I ask him whether or not he is in a position now, in view of the many meetings he has had, to tell the House where the present postal conflict stands as of now?

Mr. David Lewis (York South): At Montreal!

[*English*]

Hon. Bryce Mackasey (Minister of Labour): I must apologize to the hon. member. I was out of the Chamber to answer a long distance call and I did not hear the main question. I will read it in *Hansard* and answer tomorrow.

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to ask a supplementary question.

Mr. Speaker: The hon. member for Lotbinière wishes to ask a supplementary question.

Mr. Fortin: Mr. Speaker, I thank you for kindly allowing me to repeat my question to the minister who had not understood—

Mr. Speaker: Order, please. I gave the hon. member the floor to ask a supplementary question, not to repeat the question he had already asked. However, perhaps the hon. member may be allowed to do so if the minister is willing to answer the question immediately.

[Mr. Cullen.]

Mr. Fortin: Mr. Speaker, can the Minister of Labour inform the House on where matters stand with regard to the present postal dispute in view of the action taken by him lately?

[*English*]

Mr. Mackasey: The answer is no, Mr. Speaker.

ROYAL CANADIAN MOUNTED POLICE

METHODS USED IN INVESTIGATIONS OF MEMBERS OF BLACK COMMUNITIES AND CLUBS

Mr. Lincoln M. Alexander (Hamilton West): May I ask whether the Solicitor General is in a position to reply to a question which was directed to him on February 20 with respect to an allegation of massive and indiscriminate investigation by the RCMP of black communities and clubs throughout Canada?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker, I am glad to have the opportunity of answering it. The matter has been investigated since the question was asked, and we find there is no foundation at all for the allegation that massive and indiscriminate methods of investigation have been used to harass that community. There is no truth whatever in it. As to the allegation in the statement that threats of deportation were being used, we find it is also completely without foundation.

As a matter of policy, the force has encouraged its members to develop a close understanding with community leaders in any areas where they may be working. This applies to all communities equally. There is no evidence whatever that I can find to support the allegation to which the hon. member referred when he asked the question.

FLOODS

NEW BRUNSWICK—ASSISTANCE TO VICTIMS

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Minister of Regional Economic Expansion about which I spoke to him two days ago. Has the minister or his department yet arrived at a preliminary estimate of the flood damage in New Brunswick and, if so, when will some reassurance be given to the people who have been so seriously affected by this disaster?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I know that representatives of the federal government met with a representative of the provincial government to discuss this matter. We have received no report yet. It may be that my colleague the President of Treasury Board, who has a responsibility in this connection, has received one; the other day I tried to get information from him but he had no information at that time. As soon as I get it I shall be happy to forward it to the hon. gentleman.

AGRICULTURE

POTATO PRICES—ASSISTANCE TO GROWERS

Mr. David MacDonald (Egmont): My question is directed to the Minister of Agriculture. In view of the depressed prices of potatoes across the country, is the Department of Agriculture formulating, together with the prices stabilization board, some form of assistance to potato growers, which will be of particular interest to Prince Edward Island, New Brunswick and eastern Canada generally?

Hon. H. A. Olson (Minister of Agriculture): I suppose all things are relative, but prices this year compared with last year are substantially better. For example, New Brunswick potatoes were fetching between $1.70 and $1.75 for a 50-pound bag wholesale in Montreal all last week. This compares with a low of 90 cents a year ago, so I cannot agree with the hon. member that prices at the present time are severely depressed.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

DOMINION COAL BOARD DISSOLUTION ACT

MEASURE TO DISSOLVE

Hon. G. J. McIlraith (for the Minister of Energy, Mines and Resources) moved that Bill C-161, to provide for the dissolution of the Canadian Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act as reported (with amendments) from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Dominion Coal Board Dissolution Act

Mr. McIlraith (for the Minister of Energy, Mines and Resources) moved that the bill be read the third time and do pass.

Hon. Marcel Lambert (Edmonton West): There are a number of points I should like to raise. I do not know who, on behalf of the minister—

Mr. McIlraith: He is here.

Mr. Lambert (Edmonton West): I am glad of that. Hon. members may recall that when this bill made its ill-fated entry to the House on a previous occasion as a bill coming from the Senate, questions were raised as to the proper action to be taken to deal with a transfer of appropriations for which the legislation made provision. Before this bill goes through, I should like the minister to tell the House what is to be done with the funds which will be left surplus. This is a bill which comes into effect upon proclamation, so we should like to know when the minister proposes to have it proclaimed. If it were to pass through both houses and be proclaimed, on that day, the day of proclamation, the Dominion Coal Board would be defunct and any funds left in any of the appropriations would then be available, under the terms of clause 3(2), for allocation within the department by the Governor in Council.

This is all very interesting, but I should like to know whether the provision applies to any funds that are to be disbursed before March 31. I do not suppose it does because I do not suppose that the coal board will be wound up before March 31. According to the book of estimates for 1970-71, the amount allotted to the coal board is $6,477,000, of which some $2,427,000 is for program expenditures and contributions of one sort and another under vote No. 70. Then, there is under a statutory item an amount of $4,050,000 for payments to New Brunswick for the rationalization of the Minto Coal fields.

Strangely enough, nothing was said about these points at the committee hearing, and I think that before the bill passes this House the minister should give us a full explanation. We should like to know when he expects the coal board to be wound up, how much money might be left over at the projected winding up date, and where this money is going to go.

I am raising this point, Mr. Speaker, because personally I do not approve of funds being allotted to a given purpose, the Governor in Council fixing a date in the future for the winding up of an agency or board, as the case may be, and the Governor in Council

then deciding what is to be done with the money left over. One of the witnesses before the committee indicated that when the estimates for the department were tabled no money was provided for research in the estimates of the coal board. I should like to refer to the evidence of Mr. MacNabb at page 6:20 of the minutes of proceedings and evidence. Mr MacNabb said:

> So, any money that is used in research in the coming year will have to come from department funds, and these would be funds in the Mines Branch of the Department.

I should like to ask whether the intention is to carry on a program of research with the money unexpended by the coal board. If this is to be the case, then would the minister for goodness sake say so? Nothing at all has been said in this regard. The money could be spent on a trip to Timbucktu. As a matter of fact, there is nothing in the bill to restrict the minister and a whole retinue of officials from taking a safari to Africa on any money that is left over. If the travel allotment were overspent the could use any money left over for any purpose whatever. I admit that this might be rather far-fetched, but I use it as an example to indicate that I think that this is an incorrect practice.

If an error has been made in the estimates of the Department of Energy, Mines and Resources in regard to coal research, then the right thing to do is to come forward with open and clean hands and submit a supplementary estimate. The government should not hide this, saying it will use the money subsequently, but without saying for what. This money has been appropriated by Parliament for use by the Dominion Coal Board, and for a specific purpose. According to this bill it can be used for any purpose within the department, as the Governor in Council shall so determine—which means a recommendation by the minister as to its use.

It has always been the practice that unexpended funds shall expire. If a certain program is abrogated and money allotted to it is left over in the estimates, then that money expires. In this case we have these ancillary moves, and personally as a matter of practice I find the practice objectionable. The bill is asking the House to give carte blanche to the department to use the money for whatever purpose it may determine, and I do not think that that is right. Certainly, I would want an explanation from the minister, because the course I propose to adopt in this matter will depend upon his answer.

[Mr. Lambert (Edmonton West).]

Mr. Speaker: Is the House ready for the question?

Mr. Lambert (Edmonton West): Mr. Speaker, surely we are going to have an answer.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know whether this is the only question hon. members are concerned about, but my impression is that it was dealt with in committee. If it was not, I am perfectly prepared—

Mr. Lambert (Edmonton West): Mr. Speaker, it was not, because it is not in the transcript.

Mr. Greene: Then in that case, may I say that the purpose of the broad wording of clause 3 (2) is primarily to enable the work which was formerly done by the coal board now to be carried on within the department. The reason we need broader wording is that the work done by the coal board will now be administered under the authority of the mines section of the department.

I think, quite properly within the ambit of the estimates relating to a particular division of any department, there is an attempt to have the widest flexibility in order to enable that particular division, both within its own resources and the resources in the estimates, to do its work unhampered to the greatest possible degree, subject to the limitations of the point by point items in the estimates.

In attempting to achieve a considerable cutback in the estimates in the interests of its fight against inflation, I think the government has probably also attempted to give maximum flexibility, within the global amounts allotted, to various sections of a department to do their work. It is my understanding that the clause is worded broadly in this way because the amount allotted in the estimates will now come under the administration of the mines section. As I say, within the ambit of the estimates themselves, an attempt is being made to give the broadest flexibility to this section to enable them to deal with coal matters.

I would point out that we are not seeking new funds here; rather we are setting up an alternative method for administering the funds that have already been provided. I think it would have been a retrograde step to itemize, point by point and dollar by dollar, the actual type of expenditure that had been mooted by the mines section.

Needless to say, in administering these funds effectively and efficiently in the interests of the coal industry of Canada, some flexibility is required. Therefore, these funds, which have already been voted, will now be administered by the mines section instead of by the coal board, as was previously the case under the estimates as tabled.

I trust that this explanation is of some help to my hon. friend. I have not gone into the matter in depth because I was under the impression, as I have said, that some of these points had been resolved in committee.

• (3:10 p.m.)

Mr. Lambert (Edmonton West): Mr. Speaker, may I ask a question the minister has not answered? I want the figures indicating how much of the $6 million he anticipates would be unexpended at the date of proclamation. That was not covered at any time during the committee hearings.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I should like to ask the minister a very short question before third reading for the information of those who have known the coal board for many years, which played an important part in the coal industry of Canada. Will the minister advise what will happen to the members of the board? Will the minister advise what will happen to the members of the board? Will they become part of his department or just what will be the allocation of these present members?

Mr. Greene: Mr. Speaker, it is my understanding that the permanent staff of the board have now been taken on the staff as part of the department and the public service. The chairman of the board has already been taken on as advisor to the deputy minister in respect of coal.

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

Mr. Lambert (Edmonton West): On division.

Motion agreed to and bill read the third time and passed.

NATIONAL ENERGY BOARD ACT

AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATIVE POWERS, ETC.

Hon. J. J. Greene (Minister of Energy, Mines and Resources) moved that Bill C-190, to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, Bill C-190 has been placed before the House to enable a number of necessary and desirable amendments to be made to the National Energy Board Act. The Act was first passed in 1959 and has not been amended since 1963 except for matters which were consequential to the passage of other legislation by Parliament. For instance, the passage of the Statutory Salaries Revision Act in 1967 included such an amendment to the National Energy Board Act.

The amendments now proposed in Bill C-190 are a reflection of changing circumstances and the experience of the board in discharging its important responsibilities since the last amendments in 1963. I hope it will be helpful to hon. members if I take just a few minutes to outline some of the more important changes proposed.

Before I do so, perhaps I should remind hon. members of what the board does. It is responsible for adjudicating upon applications for licences to export and to import natural gas, applications to construct and operate inter-provincial and international pipelines for the transportation of petroleum and its products and of natural gas, and applications for licences to export electrical power and energy and to construct and operate international power lines for the transmission of such power. It is responsible for regulating the rates, tolls and tariffs of pipelines under its jurisdiction, a field into which it is just now entering and which will require a great deal of careful attention in coming years.

It recommended to the government of the day what became the national oil policy, established in 1961, and the board has administered that policy since its inception. It has advised successive governments on a wide range of matters having to do with energy, and has assembled a small but highly competent staff expert in the disciplines of engineering, finance and accounting, and operations research as they apply to oil, gas, pieplines and electrical power.

The Board and its staff have earned and have the confidence of the government, and I believe that of businessmen and members of the general public in Canada who have come into contact with their work. In my present responsibilities, I have come to have a high regard for the capacity and judgment of the board, and to rely upon it as a principal source of advice in the many matters relating to energy which require the attention of government. We are at the moment in the midst

of particularly complex considerations about oil, but I do not foresee a time when the judicious resolution of difficult questions relating to energy will not be an important concern for any government of Canada. For such resolution, I believe the National Energy Board to be necessary and effective.

I turn now to the substantive amendments incorporated, along with many minor or relatively incidental changes, in the bill now before you. First, let me explain the proposed amendment in respect of international power lines.

Both Canadian and United States power utilities are now placing increasing reliance upon transmission connections with other utilities to achieve additional security of supply, economy of operation and earnings from surplus energy. In an increasing number of cases, such interconnection arrangements are becoming advantageous and desirable as between utilities in Canada and utilities in the United States.

The high voltage interconnection between power systems, one on either side of the international boundary, is normally used for the importation of power for one interval of time, followed by the exportation of power for the next interval. In other words, it is seldom used only for a one way flow of power, whether import or export, but rather it is used for both, as the occasion warrants.

The increasing exchange between the two countries is borne out by the trade records. In 1960, Canada exported some 5.5 billion kilowatt hours, and imported some 0.4 billion, for a net export of 5.1 billion. In 1969 the preliminary figures are that Canada exported about 4.7 billion kilowatt hours but imported 3.3 billion, for a net export of only 1.4 billion kilowatt hours. To put this in perspective, the total supply of kilowatt hours in Canada in 1969 was 194 billion.

As the Act now stands, if a Canadian utility proposes to construct an international power line for the purpose of exporting power, it must obtain a certificate of public convenience and necessity before constructing and operating the line. On the other hand, no present provisions of the Act prevents that utility from constructing a major transmission interconnection if the initial intention is to import power. The line having been constructed, when the time comes for it to be used for the export of power, the board is faced with an ex post facto application which leaves it with no opportunity to deny the certificate and little power to include conditions respecting the route or the adequacy of the specifications for its construction, having regard, say, to the public safety.

[Mr. Greene.]

The government believes it would be in the public interest that the board be given jurisdiction over international power lines constructed and operated for the purpose of importing power on the basis comparable to the jurisdiction which it now exercises over export power lines. It proposes, therefore, that the Act be amended to require that lines to be used for importing power, as well as those to be used for exporting power, may be constructed and operated only pursuant to a certificate of public convenience and necessity issued by the board. There is no intrusion whatsoever over the existing line of demarcation between the jurisdiction of the provinces over the electrical utilities within their boundaries, and the jurisdiction of the government of Canada over international connections established by such utilities.

At the present time, the importation into Canada of liquified natural gas by any means other than through a pipeline does not require a National Energy Board licence. In 1959 trade in liquified natural gas was not significant, but there have been rapid technological advances. Plans for the importation of liquified natural gas into eastern Canada by tanker or other non-pipeline methods are being developed and, since it appears that the scheme of the Act is to make subject to licencing restrictions any import or export of natural gas which may affect the public interest, the government considers that it would be appropriate that importation of liquified natural gas should be subject to licencing control.

• (3:20 p.m.)

To put it another way, it would be as imprudent to allow an area or community to become dependent upon tanker-borne liquefied natural gas as it would be to allow the same community to become dependent upon natural gas moved internationally or interprovincially by pipeline, unless it had been demonstrated that the service was reliable, economic, and otherwise consistent with the public interest. There are, in addition, considerations as to safety in the handling of liquefied natural gas which would be more readily safeguarded if its importation were subject to licence. It is proposed, therefore, that the existing authority of the National Energy Board to licence the import of gas be extended to include liquefied natural gas by amend-

ing the definition of "import" to include importation by railway tank car, tank truck or by tanker as well as by pipeline.

The Act now empowers the National Energy Board, when issuing a certificate in respect of the construction of a pipeline, to prescribe such terms and conditions as are considered necessary or desirable in order to give effect to the purposes and provisions of the Act. It is proposed to make manifest the Board's power to impose requirements respecting preservation and restoration of land through which a pipeline may be constructed by amending section 46 of the Act as proposed in Bill C-190.

It has been brought to the attention of the Board in public hearings, and through representations made in the House and to ministers of the Crown, that dissatisfaction has existed among farmers with the interference with and the impairment of both municipal and private farm drainage systems which may be created by the construction of pipelines. This is particularly so in those areas where the installation of tile and other types of drainage is necessary to carry on efficient agricultural operations. Through the Board's hearing and decisions, and through consultation with various agricultural associations and with pipeline companies and the pipeline division of the Canadian Petroleum Association, greatly improved practices by the pipeline companies have been established. As a result, I believe relations between the agricultural community and the pipeline companies are now much better than at some times in the past.

With respect to new pipeline construction, the Board has applied the concept that gravity land drainage systems should take precedence over pressure pipelines. To ensure that the same concept may be applied to existing pipelines, it is proposed that where the Board finds that such pipelines interfere with or otherwise impair the proper operation of public or private drainage systems, either existing or proposed, it be empowered to direct a pipeline company, upon such terms and conditions as the Board considers proper, including the specific power to direct by whom the cost should be paid, to divert, relocate or otherwise reconstruct the appropriate portions of its pipeline so as to remove the existing interference or impairment or to otherwise facilitate reconstruction or relocation of drainage systems. I should add that a number of pipeline companies have already voluntarily undertaken remedial action of this sort where it appeared desirable.

Since November, the Board has been involved in the most lengthy and arduous hearing since its establishment. This hearing arises from applications by five applicants for certificates of public convenience and necessity and licenses for the exportation and some incidental importation of gas. The decisions on these applications will be highly important to the development of the Canadian natural gas industry for some years to come. At the same time that this major gas hearing has been before the Board, it has also been considering ten other applications for certificates respecting the construction of pipelines and international power lines or for licences for the export or import of propane or for the export of power. The Board has held five public hearings with respect to certain of those applications. Others are still to be set down for hearing when the applicants have satisfied the Board that the data in support of their applications is complete and the application is ready to be heard.

In October 1969, the Board found it advisable and in the public interest to bring into effect, as provided for in section 97 of the Act, its authority over the regulation of rates, tolls and tariffs of certain oil and gas pipeline companies which were not previously subject to the Board's jurisdiction in this regard. A major application by Trans-Canada Pipe Lines Limited respecting rates has already been filed with the Board, and increased activity in this area of responsibility is to be expected.

Because of the increase in the Board's workload arising out of its regulatory function in respect of certification of pipelines and international power lines, its licensing functions in respect of the export of gas and power and import of gas; the impending activity in regulation of rates, tolls and tariffs of oil and gas pipelines; additional responsibilities arising out of its advisory functions, and in keeping close surveillance over new developments in the energy field; and in recognition of the additional responsibilities proposed to be placed upon the Board by the amendments to the Act set forth in Bill C-190, the government is of the opinion that the membership of the National Energy Board should be increased from five to seven, with provision for the appointment of an Associate Vice-Chairman from among the Board members.

This increase in membership would enable the Board to conduct two public hearings

upon applications at once, and to reach decisions upon applications in shorter time than has been possible under existing circumstances. Three members constitute a panel for the public hearing of most applications. I say "most" because there is provision under section 14 of the Act for one member of the Board to be authorized to hear and report to the Board upon a matter. It has, however, been found in practice to be desirable to limit the use of this power to relatively simple issues; in most certificate, licence and rate matters the issues are complex and important enough to require the hearing and analysis of the evidence by three independent minds. With five members it is impossible to have two concurrent hearings, and with the present and foreseeable hearing load it is becoming increasingly difficult to hear and decide with reasonable dispatch all applications coming before the Board. If only for the sake of maintaining reasonable expedition in deciding applications to the Board—and of course each of these applications represents a matter which is urgent and important to the many people affected by it—it is therefore desirable that the number of Board members be sufficient that two panels can operate at any one time.

Thus far, on this matter of the number of members, I have been addressing myself only to the regulatory work of the Board. As I indicated early in my remarks, we also call upon the Board for advice on many matters. Board personnel have carried a very heavy responsibility in the preparations for and the conduct of the discussions which for many months have been taking place between officials of the United States and Canadian governments. There is no indication that the need for such discussions will diminish. Often these matters have to be dealt with urgently, and it is not easy for the Board or for me to deal with them promptly if the Board members whose advice I want are tied up in a formal hearing. I, therefore, look to the increase in Board membership to provide more flexibility in the time of the members.

Similarly, it seems to me important that we increase the membership of the Board to enable it to give more attention to the long range implications constantly arising for future Canadian energy policy and problems. Here, the obvious example is the new developments in the North. Hon. members may recall that the chairman of the Board is a member of the task force on northern oil, which we set up after the Prudhoe Bay discoveries but before the discovery of oil in the Mackenzie Delta and of gas in the Arctic islands. The development of these northern discoveries, and the related transportation and marketing problems, are matters that require sound and prompt advice to government. One means to obtain such advice, I submit, is to have available two more men with the capacity, objectivity and dedication which are expected of members of the National Energy Board.

• (3:30 p.m.)

In the bill now before you there are a number of other amendments. I would not describe any of them as unimportant, for the need for them has emerged in the light of experience, and in many cases after intensive discussion with knowledgeable people such as the members of the legislation committee of the Canadian Petroleum Association and executives of the Canadian and Ontario Federations of Agriculture. However, the remaining amendments are of a kind which, with deference, I would suggest could more appropriately be explained and discussed in committee where I and representatives of the board will be pleased to answer questions and explain whatever may need explaining.

I therefore move, seconded by—

Mr. Lambert (Edmonton West): There is no one to second the motion.

Mr. Greene: —seconded by the hon. member for Renfrew North (Mr. Hopkins) that Bill C-190—

An hon. Member: The minister cannot do it.

Mr. Knowles (Winnipeg North Centre): It was moved before the minister started.

Mr. Deputy Speaker: It has already been moved.

Hon. Marcel Lambert (Edmonton West): Obviously this has not been the minister's day in the House. I confess that I believe he would have liked to have answered the questions I put to him on the previous bill, but somehow or other the information was not there or else it was better to obscure the true purpose of that bill.

In dealing with this bill, let me say first of all that I am conscious of the fact that the National Energy Board has been in existence now for about eight or nine years. It was as a result of the Borden Commission report that the board came into existence. The government took the advice of the Borden Commis-

sion and set up the National Energy Board. Those of us who were in the House at that time will recall that the creation of this board was breaking entirely new ground and, as a matter of fact, did not meet with universal acclaim. There was some concern in the various parts of the country, depending upon the form of energy that was prevailing or predominant therein, that certain types of people would tend to dominate the board and that primarily electric power utility experts would be dealing with gas and oil.

At that time, the chief problem facing the government of Canada was the question of the export of natural gas, and great pressure was being exerted. We were indeed fortunate in obtaining the services of Mr. Ian McKinnon, who was chairman of the Alberta Oil and Gas Conservation Board, and who came to the public service of Canada first of all on loan and then permanently, to establish the board and to lay down the general lines of conduct. He was fully experienced as the chairman of a form of utility commission, and I think that Canada gained a great deal by this appointment. Now that Mr. McKinnon has retired, I am sure that all of us expect to see the same high standards of performance by the National Energy Board that it has maintained in the past. When called upon to explain matters to members of Parliament, particularly those who form part of the delegation of the Canadian American inter parliamentary group, the Board has filled them in on the situation, and have done so also in the delicate situation concerning oil and gas between Canada and the United States.

There are other problems of course which we cannot neglect, such as the question of water power and the export of electricity and other forms of energy. There is the very difficult situation with regard to uranium and its processing and export for power and energy purposes.

The minister made some very brief comments regarding the performance of the board and its ultimate purposes. I would have liked to have heard him say a good deal more about the national oil policy. I know that there are some problems at present regarding what the decision of the United States may be concerning the level of Canadian imports. Of course this decision will determine the nature of the national oil policy.

There is one thing that I do want to point out, since I come from an area that is more than vitally interested in the marketing of Canada's oil production. Within our own domestic market there are recurring rumours, and reports which go even beyond rumours, that the national oil policy boundary with respect to the marketing of Canadian products along the line of the Ottawa River is being breached by refined products coming from refineries in the Montreal region and in other parts of the country. In addition, with the establishment of the refinery at Port Hawkesbury and the proposed refinery near Quebec city, as well as the proposed refinery in Newfoundland, there will be an ever increasing pressure on the marketing of Canadian oil products by products having their source in off-shore crude. This is bound to happen.

It is not that western products that are already in those markets will be replaced. It is not that the refined products themselves from, say, the refinery that is to come into existence at some time—and this may be a long way off, but there are progress reports which may be mere flack reports for the purpose of keeping up a pretence—will replace western production, but in any event there is no doubt that they will displace other petroleum products within the Canadian structure and gradually there will be a push westward. Naturally, the barrier which will be established by the national oil policy will come under the greatest and strongest pressure. Unless the market west of Ottawa increases substantially to absorb the natural increase in the western production, we will either have to maintain a rigid policy—and I do not know how the board may police this—or ancillary action may have to be taken by the government to police this so-called boundary line and the actions by the oil refineries or the petroleum distributors so that the Canadian production will not suffer unduly.

• (3:40 p.m.)

It is not only the producers of the crude and the refiners who are adversely affected by the diminution in the marketing of Canadian petroleum products, but at least three provincial governments have a great stake in the revenues derived from the royalties and other dispositions of oil and gas rights. There is, of course, the other point about the United States and Canada's rather delicate position at the present time. I don't want to say too much about the negotiations. Certainly, I would not want to say anything that might be prejudicial in arriving at a possible solution for Canadian producers. But it seems to me that with the requirements of

the United States for gas, and there is a vast increase in them,—the minister spoke about the increase in applications before the National Energy Board for the export of natural gas—that it would only take a limited amount of enlightened self-interest to see that the marketing of both gas and oil are inextricably linked. There is no question, Mr. Speaker, that most of the natural gas in the past has been found as a result of exploration for oil. If there is going to be a ready market for the gas reserves there is no question one can view with equanimity the rapid accumulation of unproductive oil reserves, or drilling operations that result in a successful well which is merely capped because there is no market for the oil.

There are many operations in western Canada at the present time that are marginal or less than marginal, and unless there is a very strict quota system with respect to operations, many operations will be definitely shut down. True enough, there are many others now who are going out for the exploration of and have found natural gas, and that is their prime purpose. I think we may see a pattern of change in the exploration.

These are problems of very great significance in the field of energy, and yet we see an indication in the white paper on taxation of the government moving in like a bull in a china shop with the taxation of the operators in that field of resource development, without seemingly taking in what they are doing with regard to the ultimate disposition of the end product. It seems to me that when you look at the two points of view they are in distinct—at least in the goverment's eyes—separate chambers having no relationship whatever.

I can readily understand that in the minds of a number of people who have never seen an oil well, all you have to do is open up a drilling company or get out on some exploration program, sink a bit in the ground and, just like Little Jack Horner with that plum pie, by merely sinking a thumb in, out will gush all that is good. It is only an absolutely naive myopia that prevents individuals from understanding the problems of the oil and gas industry and understanding that all is not rosy. True enough, the people in the area certainly may work and get good wages and salaries, but so far as the profits are concerned, in many instances, they are merely sunk with the shareholders' money in holes in the ground. I think I will leave that particular point.

However, we are at the present time, Mr. Speaker, moving into some areas of pressure.

[Mr. Lambert (Edmonton West).]

I asked some questions this afternoon with regard to the fact there seems to be a movement towards the development of a continental energy policy. I don't think anybody is yet in a position to fully realize the implications of a continental energy policy which would involve water, and when one considers it strictly from certain points of view it makes complete sense. On the other hand, I can readily understand there can be arguments completely on the other side with regard to a continental energy policy, and I am sure we will have to give this matter very, very grave and serious study.

Just as an indication, I recall a few years ago when the first export of natural gas took place from Alberta to a copper refinery in Montana. It was felt that this had to be on a fixed period because there was a great deal of money being invested by Anaconda, and they had to be given the opportunity of paying off the capital cost of the installation. But strangely enough, it is much like a small boy who has been given a good treat. As soon as that period was finished or that the flow was appreciated, back they came and said, "More". We have seen a continuing appetite for gas through this particular connection. The same may be said now of the existing pipelines, oil lines and gas lines to the Pacific coast. In addition we see, of course, the extensive requests for natural gas to be piped into the central and east central United States.

There are no two ways about it. This is not an interruptable service. We must clearly understand that the greatest possible persuasion, and not only persuasion but force, would be applied to Canada if for some reason or other in the national interest it came to the point of turning off that gas unless of course appropriate stipulations are made beforehand and are clearly understood. After all, we know what kind of pressures can be brought to bear. At the time the Canadianization of *Time* magazine was taking place the American government clearly pointed out to the Canadian government that negotiations for oil market quotas in the United States would be completely broken off if Canada did not place *Time* magazine and *Reader's Digest* in the most favourable position they are in today.

This is a question of relationships between neighbours, I will agree, but while I come from Alberta and am fully cognizant of the economic worth of these disposals of oil and gas to the United States to that province and to Canada's position in international trade—there are so many advantages—on the other hand I am also wondering, and I put this up

as a signpost to observe and to examine, about the danger of getting locked into a situation where there would be no getting out even though in 20 years, the situation may have changed so much that Canada would be at a considerable disadvantage.

And so I conclude with those few remarks with regard to the question of present negotiations, the present situation and the difficulty but necessity of establishing a national oil policy. I must confess that the past few years have not been the most exemplary with regard to a national oil policy. I have always been very critical of the reason for all of this secrecy about the so-called secret accord of 1967. The present Minister of Industry, Trade and Commerce (Mr. Pepin) has never been fully able to explain it. He has tried to dissimulate any criticism but frankly he has failed in that regard.

• (3:50 p.m.)

With regard to the present bill there is a great deal of tidying up of definitions to be done. All I can say to that is that it is lawyer's load and of course, this can be readily understood. Over the past ten years of experience with the board, I am sure the committee has come up against certain definitions which were not as flexible as they wanted, nor as accommodating. In any event, I do not think there is much to be said about the definitions part of the bill.

As to the composition of the board, I am glad the minister went into detail and I think the change is quite understandable. If there had been, concurrent with the recent series of hearings with regard to the gas export applications, other types of hearings with regard to the export of electrical energy or the question of uranium, or if there had been problems with regard to the export of water power. I do not know what would have happened. Somebody would have had to queue up because the board was not in a position to deal with that situation. I think the move to get seven members, to have two panels, is a move in the right direction. It is only natural to expect that this board, since Canada is developing more and more of its energy resources, would have more to do. This board, from being a fledgling in matters of this nature, will now assume a much more important role.

Earlier this day we had a bill which set aside the Dominion Coal Board, writing its obituary if I may say so. Although many years ago the Dominion Coal Board was a very important body, with the passage of time and the evolution of technology it was no longer necessary to maintain it. I think in many ways it has been replaced by the National Energy Board since we have now moved to other forms of energy.

Of course, the success of this expansion of the board will depend upon where the emphasis will lie with regard to the skills of the two additional members. I would have liked to have heard from the minister, if he would listen on this particular point, where the emphasis will lie with regard to the expansion of the board. Are these people to be oil and gas specialists or utility men or what is going to be their particular specialty? I have nothing much to say about having an associate vice-chairman. Because of the mechanics of the expansion, it is understandable that there should be one.

There is one rather ironic thing, Mr. Speaker, and that is that the minimum salary scale for members of the board, whose skills are matched by a great many members of this House, is more than double the salary scale for members of this House.

Mr. Greene: Do you mean they are too high or this House is too low?

Mr. Lambert (Edmonton West): I think as far as getting qualified personnel for the board is concerned, the minister is quite right. I am glad to see that he set minimum salaries for the positions. I think in order to get appropriate men one has to be in a position to deal with a competitive industry. This is not a case of picking up engineers or specialists coming out of university but of getting men who have established themselves, have made a reputation and have the capabilities and qualities required on such a board. The salaries should be high enough. I think they should range in the level of the Exchequer Court and the Supreme Court of Canada. Having said that, I am sure there are men in this House who have just as much capability and who work just as hard and contribute just as much to this country, yet their salaries are in a somewhat different range.

There are two or three points I should like to make, Mr. Speaker. In clauses 7, 12(3) and 28(3), the board is not allowed to hold public hearings or may not hold public hearings, as the case may be. In clause 7, it is clear by the language in the section that the Board is not to hold public hearings. That may be very well but I will say this: There is no reason why the findings of the board or the decision of the board with the reasons therefor, should

not be made public. If the minister will take particular note of this point, it is in the case where either the holder of a certificate consents to it or where the pipeline or international power line to which the licence relates, has not been brought into operation under that certificate or licence.

Notwithstanding the fact that you certainly cannot have private hearings, I do not see the value of any necessity for public hearings. Surely, the respect for this board, as the respect for any other board, lies in the openness of its decisions. It seems to me that notwithstanding the fact there shall have been a private hearing, there is nothing that commends itself with regard to not publishing the decision. Therefore, I would hope the minister would see fit to authorize the board to publish its decisions and any reasons therefor.

Clause 9, and this was a point on which the minister spent some time, refers to the diversion of a pipeline so that it will not damage a farm drainage or a water drainage system. I would say that, in addition to the fact that the board can direct by whom and to whom the cost of diversion or relocation should be paid, there should be specific provision that under no circumstances should it be the farmer or the owner of the drainage system who shall pay any costs.

The last question I want to raise, Mr. Speaker, is with respect to the purpose of clause 19, that is, permitting any pipeline company, in the acquisition of land, to acquire the minerals thereunder. If you will recall, under the original act, mines and minerals were exempted from any acquisition of land. I think it would be instructive to read section 69 as it is now:

> A company is not entitled to mines, ores, metals, coal, slate, oil, gas or other minerals in or under lands purchased by it, or taken by it under compulsory powers given to it by this act, except only the parts thereof that are necessary to be dug, carried away or used in the construction of the works, and except as provided in this section, all such mines and minerals shall be deemed to be excepted from the conveyance of such lands.

At times I have thought that provision constituted some little intrusion into the field of property and civil rights, particularly in those areas which use the Torrens system, as in Alberta, where the question of the rights arising under the conveyance are specifically covered by the Land Titles Act of the province of Alberta. Notwithstanding everything that has been said on the subject, I do not see how amended section 69 could in any way abrogate any rights of acquisition under a conveyance properly drawn up, executed and registered under the Land Titles Act of the province of Alberta or the equivalent act of Saskatchewan or Manitoba. The amendments, as proposed, are permissive. I can see why, if under an order of the National Energy Board a right of way was granted on the surface of land for the construction of a pipeline, it was intended that that in no way was to be deemed as conveying to the company any interest to mines or minerals, with the exception perhaps of subsurface gravel which would be used in the construction of the pipeline. I can see that a pipeline company could specifically negotiate for, and indicate in the terms of its contract, that it is acquiring the right to mines and minerals. This amendment now empowers the company to acquire them, and I can see where this may happen.

• (4:00 p.m.)

I can that at its tank farm, and we have many in Edmonton, a pipeline company with facilities which occupy a fairly vast area would not want an outsider coming in and drilling for oil or gas on its site. Yet, this is actually what could happen. I say that because if the act previously prevented the pipeline company acquiring the rights to mines and minerals and these rights were in the hands of a third party, the third party could negotiate with another exploration or oil development company and an application would be made to the Alberta Right of Entry Board to go in on the land. True enough, it might be at a pretty high cost. I still feel that, unquestionably, a government body or other body should grant right of entry for the purpose of drilling for oil, gas or even sulphur on the land the pipeline company has acquired for major installation purposes. I do not know whether there is anything to be gained by acquiring the rights to minerals underneath the right of way of the pipeline system.

I agree with the minister that there are many technical explanations that can be given in committee. I hope when we see this bill again for third reading, after it has been before the committee, that there will be more clarity with regard to the future of the national oil policy and with regard to our position vis-à-vis the United States. This has become very worrisome and could have grave consequences in Canada on our balance of payments, the level of employment and the revenue of both federal and provincial governments, especially if there were a major cut

back in our oil marketings in the United States. We know this is an election year and that there are all sorts of difficulties down there in this regard. I think if our government negotiators, and particularly those representatives who are going to Washington tomorrow take a tolerably firm stand, and all the interests in this regard do not lie on the one side, I am sure our United States counterparts will be made to see that the world does not revolve round their domestic orbit at all times. We hold many cards and intend to develop our oil, gas and energy resources for Canada's interests first. Then we will, I think, be quite prepared to consider the requirements of our neighbours.

Mr. Max Saltsman (Waterloo): Mr. Speaker, there cannot be much objection to the amendments of this bill which extend the authority of the National Energy Board. Any thorough examination of the bill must centre around the outlook of the National Energy Board and involve an examination of specific clauses. It is unfortunate that the National Energy Board in the past did little except reconcile various conflicting business interests which arose instead of taking an over-all view of whether the activities of this or that business interest in the energy field really made much sense. Unfortunately, we begin with the faulty premise to build on, that premise being that international oil companies which virtually dominate the energy field in Canada know what is best for the country, and that our job simply, through the Energy Board, is to act as a referee between them. Clearly, our government has all the business acumen and astuteness of an Esau selling his heritage for a mess of pottage.

The minister's overeagerness in giving away our resources could well have disastrous consequences. True, the minister may, if he wishes, call us petty nationalists, socialists, or anything he wants. That does not alter the fact that he and those surrounding him have for a long time demanded the continental integration of our resources. The Liberal party does not really believe in Canadian nationalism.

Some hon. Members: Hear, hear.

Mr. Saltsman: It wants this country to be embraced by the giant to the south, and the sooner the better. And here, Mr. Speaker, is the one great danger that faces us. As a nation, we do not have control of the situation. Those administering the country do not appear to give a damn about the future of Canadian nationalism.

An hon. Member: That sounds like a farm program.

An hon. Member: It sounds like hogwash.

Mr. Saltsman: The only hogwash around here is coming from the government benches.

Some hon. Members: Oh, oh.

Mr. Peters: If certain hon. members on the government side keep making these remarks we shall begin thinking that hogtown is now Winnipeg.

Mr. Saltsman: I should also point out that some of our provincial premiers have been responsible for our failure to develop a national policy in this field. All too often they have been anxious to lay their hands on a fast buck, especially just before an election, and have neglected the long run interests of the nation. In some parts of Canada the premiers seem to wear blinders and do not see the long run interests of the nation. An example is to be found in British Columbia. We know what happened with regard to the Columbia River Treaty. Another example is to be seen in the fact that we have allowed the Japanese to come in and develop a resource without paying any regard to the future of the province concerned.

• (4:10 p.m.)

It may look great in the lifetime of Premier Bennett, but the question we have to ask is: what price will have to be paid by those who will come after us? It seems to me the federal government has not been forceful enough in expressing its opinion and standing up to some of the provincial premiers. We see this situation in a province such as Alberta, where everyone's thinking seems to be dominated by oil. One would think nothing else existed in this country except oil. The more oil they can sell, the better it is; they do not care about the conditions. Just sell oil; nothing else really matters. Manitoba is the only province which has shown any sense, any willingness to work in the national interest. I think other provinces would do very well to seek to emulate the statesmanlike stance of the premier of Manitoba.

In Alberta, we find a government which prides itself on the fact that it does not need to impose a sales tax. It points to the other provinces and says: They all have sales taxes, but look, we don't. What the people there fail to see is that because of the national oil policy, because of the myopic-minded way in which we approach the selling of our oil,

every Canadian pays tribute to Alberta, and this is why the province is not obliged to impose a sales tax. There can be no doubt that the national oil policy has resulted in the higher cost of gasoline throughout the country. It has been estimated that it costs 5 cents more for every gallon we buy as a result of this national oil policy which keeps one province happy.

Then, there is the foolish policy under which one province is pitted against another in connection with resource development. An industry goes to a province and says: Either you give us the advantage of special concessions or we will locate elsewhere. Provinces fight each other over the right to have their riches despoiled. How long will this sort of thing continue? I know it can be said that a good deal of the fault rests with the provinces themselves, but in my opinion the main fault lies with a federal government which has never asserted itself, which has allowed the matter to drift because it had no policy.

In this country we are always being told how intransigent is the Province of Quebec, how difficult it is to get along with Quebec, how Quebec is threatening confederation. I would suggest with respect that other provinces have been as guilty, if not more guilty, of contributing to the strains within confederation. The federal government has permitted this to go on by failing to take a stand. Sooner or later we must face up to some of these provincial gauleiters. The country does not belong to them, nor do the provinces belong to them. In any confrontation, particularly in English speaking povinces, between the federal government and the provincial governments, I think the people of Canada would opt for the federal government, would opt for nationhood in preference to narrow partisanship in one particular part of the country.

The federal government has failed to produce a policy concerning foreign ownership. The consequence is that a branch plant economy is doing virtually what it pleases in Canada. Operations of companies here have been integrated with those of parent corporations in the United States and in other parts of the world. This may make sense for the companies concerned but it does not make sense for Canada. For Canada, it has meant loss of control.

It is a temptation to view every situation as a crisis and to see every piece of legislation as a watershed. But the forthcoming negotiations on a continental energy policy do, indeed, represent a watershed. We can no longer delay the development of an overall policy regarding the use of Canadian resources. It has been said by people who work in the communications field that we have perhaps ten years in which to solve our problems or else go under as a nation. We could go under even faster by following a resource policy which takes no account of the long range national future.

The minister is sitting very quietly in his place today, although usually he is much given to making outrageous accusations against anyone who does not recognize his omnipotent wisdom, or anyone who dares suggest there might be other ways of doing things.

Mr. McCleave: Did you know that, Joe?

Mr. Greene: They must think I am a socialist leader.

Mr. Saltsman: We have just heard the magic word. The minister's idea of settling a debate is to yell "socialist", like a small boy who hurls four-lettered words and then runs away—

Mr. Greene: Losers can never make me mad. It's the winners I worry about.

Mr. Saltsman: He talks about us being losers.

Some hon. Members: Hear, hear.

Mr. Saltsman: The real losers are the Canadian people.

Mr. Greene: If they ever got you, they would be.

Mr. Saltsman: Maybe the only thing that has saved the Canadian people is that we have been around to tone everything down before the minister and his friends got out of hand.

Mr. Osler: Would the hon. member permit a question?

Mr. Saltsman: I don't know. Yes, I suppose I will.

Mr. Osler: Would the hon. member recommend to the premier of Manitoba that he put an end to the mining of nickel and that sort of thing, so that we could conserve it all there?

Mr. Saltsman: I will be pleased to answer that question by saying that I don't know what the hon. member is talking about. Let

me say some things which the hon. member may actually understand. Try to understand that this party does not object to the sale or trading of Canadian resources. We have never objected to trading or selling in the world. Indeed, we are very much concerned that where such trading is in the interest of Canada and the international community we should do it. We do not take the attitude: we have certain resources; let us sit on them and to heck with everybody else. We are willing to share our resources. We are willing to work in the international community, but some thought must be given to the national interest. We must consider whether we are really helping in an international way or whether we are merely contributing to making that rich neighbour of ours to the south even richer.

Mr. Greene: Explain.

Mr. Saltsman: One thing to which our party takes objection is any policy which would make it impossible for Canadians to create their own kind of society—any kind of continentalism which would tie us in so tightly with the United States as to make it virtually impossible for us to develop anything unique or desirable on our part.

I was pleased to hear the hon. member for Edmonton West (Mr. Lambert), who comes from an oil province and who has a great deal of interest in seeing exports of oil increase, express the fear of a Canadian nationalist that we have not always bargained strongly enough and that there are conditions under which we should not succumb to pressure. He cited the example of *Time* and *Reader's Digest* in the case of which one slight threat that oil imports would be cut off was sufficient to legitimize two magazines and frustrate attempts to develop a Canadian literature and a Canadian journalism.

• (4:20 p.m.)

We in this party have been too long concerned over human welfare, and over the future of this country, to want to see that aborted by a continental energy policy that would make any kind of freedom to live our own lives impossible. We will object to placing our affairs in the hands of business corporations, whether they be American or Canadian, that really do not care about the society in which we reside so long as they can make a dollar. It is not only international American corporations of which I speak; some Canadian corporations are equally guilty. The unfortunate fact is that the Canadian government has let them do as they pleased, and this cannot go on. It is one thing to have a continental energy policy that ensures that corporations have some concern for the future of this country. It is another thing to have a continental energy policy that permits corporations to go across the border and act without giving any thought to the future of this country, being interested only in their own balance sheet.

It may be that, if a continental energy policy is to work, we will have to set up marketing boards through which to sell our energy—our oil, our gas, and perhaps our electricity. It may also be that in order to make this policy work and to ensure that Canada receives the maximum benefits from such an arrangement we will have to take the oil industry under public ownership as the only way to ensure efficiency, to ensure that that industry will operate in the national interest. The minister may respond by saying "Socialism!" It may be that the only way to survive as a nation is to bring in national policies, whether they are socialist or otherwise.

The argument about socialism stifling free enterprise does not cut much ice any more with people who are interested in this country. They are asking which way they can best survive, which way they can best serve the interests of Canada. If we cannot meet these objectives—and I do not think we can—by allowing international oil companies to take over our industry, then it may be necessary to bring the oil industry under public ownership; and if this appears to be the course we should adopt, we should not hesitate to do so.

Mr. Greene: Watkins. He is in the Watkins camp.

Mr. Saltsman: Our party will object to a policy that permits people who use our energy resources to pollute and despoil our environment, to dehumanize society, and then to walk away and leave the government to pick up the pieces. This is what they call efficiency. They think this is a good way to run an industry, and that governments are always wrong. Governments do spent far too much money, and one of the reasons is that they have to pick up the pieces after other people have made the profits. This sort of thing cannot be allowed to continue.

In any energy policy there will have to be a very clear understanding that these most important conditions to which I have referred will have to be met. Certainly, I for one am

not prepared to see the people of a nation that has ruined its own resources, polluted its air and befouled its rivers, move into Canada and do the same thing with our resources. It is true that we have pollution problems too, but we are going to solve those problems. As I say, I am not prepared to see other people who have flung their own resources away in the interest of a materialistic society, and without caring a damn for the future, given a licence to do the same thing in this country.

We object to bailing out another society that is in serious trouble because it has not exercised wisdom in the use of its resources. As long as 10 or 15 years ago a report was issued in the United States indicating a serious shortage of resources was developing in that country. There was another story in this morning's *Globe and Mail* confirming how serious is the shortage of resources and energy in the United States.

Again, I want to make it very clear to the minister and to those in his party that we cannot stand by and say to one nation whose resources are being depleted, even though it has been foolish in the use of its resources, "Ah, you have acted badly; don't come crying to us". They are still neighbours of ours, and I think we will have to sell some of our resources to the United States. I think arrangements will have to be made to transfer energy to the United States.

Having said that, my concern is that we transfer these resources on our terms. I am not suggesting we should put the United States up against the wall and tell them we will get the last ounce from them; that is not what I mean. But there does have to be a very clear understanding that resources in the world are scarce and that they cannot simply be flung around. If the United States does have access to our energy, then they will have to adopt policies that are somewhat more reassuring than their present ones.

We also think there has been a lack of balance and emphasis in regard to development of secondary manufacturing in this country. In the long run, it is not good enough simply to continue to plunder resources, because resources become depleted. Since the United States has developed into a manufacturing nation, that country would be in great difficulty if it had to depend merely upon its natural resources.

We have to get rid of a tax system that gives bonuses to the mining and oil industries which should not be given. If we are going to sell our resources, particularly when they are

in tremendous demand, then we should at least get some value from them. When a tax system makes special concessions to resource industries, if those resources are sold then some of the benefit that might accrue to Canada will be lost. For that reason, we should make certain that there is no bonusing of the mining and oil industries. Even though the white paper does suggest some changes for these industries, very substantial handouts to the natural resource industries still remain.

So that the minister clearly understands our policy and does not go around spouting a lot of stuff that does not make any sense, I should like to express our position as it is found in these four major points.

First of all, before any continental energy policy is concluded, the minister must ensure that the use to be made of Canadian resources will be made a matter of public policy; that the decision will be made by the government of Canada acting on behalf of the people of the country, instead of the decision being made by the large corporations of the world.

Second, that there will be a real benefit to Canada from such an energy policy, a benefit that is long term, not a short term, quick meal of pottage.

Third, in any energy policy negotiations all matters affecting trade will be discussed, not merely energy. Energy cannot be discussed out of context with other areas of trade in this country. It is true that the United States wants to discuss energy alone, but we should be prepared to insist upon discussing all matters affecting trade at this time. If we bargain away our energy resources, we may never have another chance to discuss those other areas of trade that are so vital to the nation.

• (4:30 p.m.)

One of those matters that has to be discussed is the access of Canadian manufacturers to the United States. The United States has a great deal going for it in Canada. This is a beautiful set-up for them. There are no tariffs against raw materials because the United States desperately needs raw materials. They take all we can give them, but try to sell them some manufactured goods except those in respect of the Canada-U.S. auto trade pact. Perhaps there are some, but they are relatively few. These companies have their branch plants over here which are not permitted to export back to the United States. Let us develop agreements with the United States, because Canadian companies, by

agreement, are restricted to the Canadian market. Let us have access to the greater United States market.

One of the problems facing Canadian secondary manufacturing industry, and this is a problem which perhaps would not have faced it if the United States had not come in and virtually destroyed our economy with their branch plants, is the fact that they are blocked from the United States market. Now that they have wrecked our economy with their branch plants and destroyed our efficiency by blocking our manufacturers out of United States markets, at least in respect of most manufactured goods, they have made it virtually impossible for us to develop secondary industry. There should be no export—let me not say "no". I am not prepared to see an enlargement of our energy exports to the United States unless there is some substantial give on their part in the matter of access to their markets for our manufactured goods.

Another matter that needs to be discussed with the United States is the question of their wheat policy. While we are going around being nice boys and signing wheat agreements, the United States is cutting our throats on price. This has got to stop. If you are going to be neighbours you are going to be neighbours. This is one of the problems that must be discussed with the United States before any agreement can be concluded on an energy policy.

Fourth, and most important, there must be a clear commitment from the United States that their laws will not apply to Canada. We are tired of the intrusion of the United States law into Canada causing infringements of our sovereignty. I have in mind their trading with the enemy laws. If their companies are Canadian they are going to have to obey Canadian laws. That must be clearly understood. There must be an end to extra-territorialism on the part of the United States. Surely, no nation that calls itself free, and that looks to have a future, can tolerate the kind of intrusion that has taken place in Canada by the United States government.

Therefore, Mr. Speaker, it is most important as we head into negotiations on a continental energy policy that we be very clear about our objectives and very determined to see that irreparable damage is not done in the course of these negotiations or the agreements that might arise from them. I believe it is possible to have an integrated policy on energy with the United States, but only if the needs and interests of Canada are met in a fair way.

Mr. F. J. Bigg (Pembina): Mr. Speaker, Bill C-190 will give the committee an opportunity to discuss the whole question of energy resources, not only in Canada but on the North American continent. I presume their terms of reference will be wide enough to discuss developments in the next 25 years. This is a very complicated subject, and a very difficult one because the self interests of the big international oil companies are affected. Our own self interests are also affected.

I suggest right from the start that it will be very difficult to get the large international oil companies to consider the best interests of Canadians unless we enter these discussions and considerations with a very fair attitude ourselves. We certainly cannot expect a one way deal. We must look at the tremendous resources of energy, whatever they may be, natural gas, petroleum products, electric power, or some of the new, sophisticated sources of power which we anticipate in the next 25 to 50 years. These will include atomic reaction and other forms of nuclear power, including solar energy, which are only now coming to the fore.

The whole subject is complicated because there is a time element involved. We need, as anybody who has studied the white paper will be well aware of, large sums of money for the development of our own country. The government of the day is looking desperately for these forms of revenue. We are discussing the necessity of taxing profits no matter where they are and quite rightly, particularly excess profits or profits not in the best interests of the people of Canada. Certainly, through the white paper, all branches of governments as well as industry itself should take a look at this.

In order to sell any forward looking policy we have to be good salesmen, and a good salesman has to know the people to whom he is selling his ideas. We have to realize what the international atmosphere is, and certainly what the atmosphere at the present is between Canada and that great republic to the south. I do not think the kind of speech we have just heard represents a good start if we expect the United States to come to us, particularly in view of the fact it has most of the bargaining on the short term policy in its hands. As far as we are concerned, the United States controls the large international oil companies. It is principally these United States companies which at the present time

import Venezuelan crude into Canada. This is the great source of competition as far as my own province of Alberta is concerned.

As has been pointed out, we have to realize that if we are to pay higher wages in Canada, and if we are to pay greater oil royalties to the provinces, we must remember we are dealing with our United States friends. If we wish to give tax concessions or to give better returns to those people we are encouraging to buy Canada back, or invest in Canada's future, we must remember that is the best way to buy Canada back. We have lived alongside the great United States in peace and brotherhood for 150 years. If they intended to take power, which my friends on the left keep on monotonously repeating, or were about to take over and dominate us, they have had 150 years in which to do so. As far as I can see, they have made no such outward attempts. The fact that we have provided a very lucrative resource for their investment money, money which has come out of their own energy at home and their ability to produce through a free enterprise system, is a credit both to the United States and to the common sense of the Canadian people.

So far, the people of Canada have not been so narrowly nationalistic that they have discouraged the investment of our United States friends which has, in fact, brought Canada ahead by strides unequalled by any other small or medium size nation on earth. Quite apart from not discouraging the United States from investing even more money in Canada, I suggest that all that is required is that the Canadian government, with its own experts and research ability, develop an even better national energy policy through the use of this Bill C-190, which will drive us forward in the next 25 years at a more accelerated pace than we have known heretofore.

• (4:40 p.m.)

I do not share the bugbear about the terrible domination from south of the line. If our industry has been dominated, it is only because we have failed to make the best use of our birthright and develop our own country through our own ability and thrift. If the white paper has anything to recommend it, so far as I am concerned it is the fact that there is a recognition in it that there is a need to encourage Canada's basic industries, particularly mining which includes oil, and a recognition that our basic industries require tax concessions and tax encouragement. As a matter of fact, I do not think the white paper goes far enough. If amendment is to be made to it, I would suggest we give even more leeway than ever to those people who would invest their savings in Canada's future so that we can start now to develop our own country in our own way. Quite apart from being negative or one who would point with jealousy to those to the south of the line who develop our country, I think our whole approach should be one of planning and encouragement to the Canadian people to invest in their country.

I suggest we can still get ahead with the development of our Arctic oil through government encouragement for the immediate building of one or more pipelines from the Arctic coast. If we did this, we would be in a position to supply the physical plant necessary to ship most of that oil to the mid-continent of the United States where the oil is needed. I am sure that the people who are first in providing the physical facilities will be the first to trap the market. We should be looking ahead to this development rather than worrying about the small developments we have had in the past in the Arctic. If I am to believe the reports, the developments in the future will dwarf anything we have had so far. We can learn from some of the mistakes of the past. It is not necessary that we rely entirely on United States capital, know-how and on the United States investor. We should plunge deeply into the development of our Arctic resources. If we put together the plant by which to ship our Canadian resource from the Arctic, it would be very easy to tap into the United States wells and sources of petro-chemicals and ship them down across the continent through Canada.

I agree that we have been slow in developing our own secondary industry in this nation. But again, this is not a field in which we wield any big stick. We have a free enterprise system which I thoroughly endorse. It is up to us to develop our own manufacturing industries and facilities for the processing of minerals in the north. If we use the new gas processes in respect of our crude iron and steel production we can refine the steel and use it in all the industries in Canada which require steel. Steel production in Canada has been very slack. A member to my left suggested we should not play footsie with any one province. I agree with this, but it would seem that the idea behind Bill C-190 is to take a look at our whole natural resource field to see whether the petro-chemical industry can work in with our electrical industry and whether the electrical industry can work

in with our water resources and the use of the tides, solar energy or atomic energy.

If we had a proper national energy policy we should be able to include all 10 provinces—or 12 provinces when the two other areas reach provincial status—in an over-all plan. I envisage the time when the iron ore of Ungava is made into pig iron in the mills of Sydney and New Brunswick and then shipped up the St. Lawrence River to Hamilton, Toronto, Montreal and perhaps the Lakehead. A steel industry could be developed in the west. At the present time there is very little development in that regard. There is no doubt there are enormous natural gas and petrochemical resources there, not to mention the unlimited water power. I am sure the committee will look into all these things.

Let us waste no more time with this terrible preoccupation about what is being done by the United States. Worry will not help; talking about it will do a great deal less. Twice in my lifetime the United States has stepped in and saved our way of life, the free western way of life. Rather than worrying about whether or not the free enterprise system of the United States is all it might be, I suggest that my friends to the left should take a good look at the people behind the iron curtain and ask themselves whether any place else in the world a country the size of Canada, with the resources and raw materials it has, has been left very largely untouched by political or military pressure.

I might say, if it is of any use—because I have said it before in the House and no one seemed to believe me—I for one am tired of being a louse on the eagle's wing. Quite apart from looking on the United States as a menace, perhaps we should consider that the United States might well look upon us as a menace to it since we occupy one-third of their continental perimeter for defense purposes. I have heard it said elsewhere, and here behind closed doors, that we need not fear invasion from any other part of the earth because the United States, whether it likes it or not, is faced with the responsibility of defending us. I go along with that. I know the United States has no choice but to defend continental North America, but I am not sure we should boast that we are prepared to sit alongside our friend and greatest customer and say to it that it can pay all the bills and we will bask in the safety and security of its armed forces.

I believe we are well able to pull our own weight. We have the resources, the will and the manpower to do it. There is no excuse for our taking a very scurvy attitude toward the broad security of North America. I think when people speak of a policy of such great economic importance as this, and expect the United States to back out in respect of certain phases of their industry, they should also at least say that we will join with the United States in the broad matter of defence and security. Surely, this would create an immediate atmosphere of mutual trust and good will. There is no need to throw out the strawman of United States domination. So far as I know, the United States people have never exhibited any such attitude. I am merely suggesting it is our plain duty to help defend our own homes. All the talk of the province of Alberta and other parts of our country being despoiled by the United States is sheer nonsense. If it were not for the investments by the United States in Alberta, Alberta would be a buffalo pasture.

• (4:50 p.m.)

Whether or not Alberta has a sales tax, may not be entirely due to our oil policy. Alberta is a favoured province, but we who live in Alberta at least know that the American hands are clean; that they have come there to make an honest investment and to establish an honest industry. We are proud of their record so far. We will welcome even more U.S. investment anywhere in Canada as long as it is made in the same spirit of trust and brotherhood they have demonstrated so far. I only hope that the Canadian people will have as much faith in the future of their own country as the Americans have shown in the future of Canada, and this without any military or political strings attached. I want to hear no more of this bugbear coming from our left. It fools no one in Canada, and if it fools anyone in the United States it cannot do anything except add to some of the difficulty we are having already in keeping abreast of the United States in the orderly development of the economic future of the North American continent.

We have a large and important part to play. There is a great deal of profit to be made from the whole business, and whether it is made will depend on whether or not we pull up our socks and develop a national oil policy and a continental energy policy which is acceptable. We could even go further than that. When we have developed our own national oil policy and a continental energy policy which will develop our resources and our wealth to a greater extent, I hope we will

carry it into the councils of the United Nations and other places in the world so that Canada, in full co-operation and understanding with the United States, can become a joint blessing to all mankind.

Mr. Rod Thomson (Battleford-Kindersley): I would just like to make a comment or two on the speech of the member preceding me before I start on my remarks. When he referred to a continental oil policy and to U.S. ownership, I had the feeling that perhaps I should touch my forelock in the approved method of a peasant saluting the owner of the land. I think that we in this party do not criticize the Americans for making a good business deal in investing in Canadian oil. We realize they have good business heads. However, previously we were political servants or junior partners to Great Britain and eventually we grew up in a political sense so that now we run our own house. In the past, we have invited the Americans to act as the big daddy so far as business is concerned and to do things for us that we could not do ourselves. The situation is now changing. If we were to take a phrase from the separatists in Quebec we might say that we are now masters in our own house. We have now reached our majority and adopted a grown up attitude with respect to business. Perhaps it is high time we stood on our own hind legs and said: "We can run our affairs now". I think that the attitude we in this party take is that as Canadians we are grown up business men and we will gradually become masters in our own house. This is my attitude in reference to the remarks just made.

We favour the improved regulations envisaged in the bill. I suggest that before we go overboard in selling such things as power abroad we take an adequate inventory of the resources we have. This is particularly true of natural gas. We should check what we have in the way of power resources against Canada's possible future needs and make sure that our future requirements are adequately protected. I can well see us selling bottled natural gas from some of our oil wells in the Arctic at the same time as the oil. This could well go hand in hand with oil drilling and it would probably be quite feasible to sell these to anyone in a position to buy.

If we must export power in any form I favour its export in the form of electricity rather than as oil, natural gas or uranium because this means that some jobs will be given to Canadians in constructing an utility.

[Mr. Bigg.]

Hopefully, we will get a return in investment, and I am assuming that any sale of electricity will pay us dividends or will be to our advantage. Surely, this would be the case because if not, what would be the point of selling our power to anyone? The only market abroad for Canadian electricity at the moment is the United States. We have heard repeatedly that they have an increasingly greater need for electricity. If we can sell power to our advantage, it might be better to do this than to sell it in the form of natural gas.

I should like to deal specifically with the sale of uranium of which Canada has plenty. If we could sell atomic energy plants abroad, hopefully sales of uranium or enriched uranium, plutonium or thorium might follow. In effect, we might be making a better business deal than by selling a raw, natural resource power which someone else converts in their factories. What I am saying to the minister is that perhaps we should look for a better business deal than we have in the past. I have a great deal of respect for the business ability of the Americans. They have not achieved what they have without having a fair knowledge of business and displaying a good deal of business ingenuity. When you are dealing with a horse trader of this kind you should use some caution.

Mr. Deputy Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Yorkton-Melville (Mr. Nystrom)—Regional Economic Expansion—request for inclusion of all Saskatchewan as designated area; the hon. member for Hillsborough (Mr. Macquarrie)—Transport—Charlottetown—Proposed transfer of certain marine agency functions and personnel; the hon. member for Battleford-Kindersley (Mr. Thomson)—Trade—Sale of atomic energy plant to Roumania—Contingent conditions.

It being five o'clock, the House will now proceed to the consideration of private members business as listed on today's Order Paper, namely notices of motion.

PRIVATE MEMBERS' MOTIONS

INCOME TAX ACT

SUGGESTION TO ALLOW EMPLOYEES DEDUCTIONS FOR LIVING EXPENSES WHILE ABSENT FROM PLACE OF RESIDENCE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain) moved:

That in the opinion of this House, the government should consider the advisability of amending the Income Tax Act, section 11, subsection (9a) by deleting after the word "where" the words "the employer's establishment to which he ordinarily reported for work was located" and substituting the words "he maintained a self-contained domestic establishment in which he resided and actually supported a spouse or a person dependent upon him for support and connected with him by blood relationship, marriage or adoption.

He said: Mr. Speaker, I will not repeat the private members' notice of motion No. 12 standing in my name in today's Order Paper. The motion to amend section 11(9a) of the Income Tax Act, which I have the honour to present to the House this afternoon, is based on a brief to the Royal Commission on Taxation submitted by the Saskatchewan Wheat Pool Employees' Association on behalf of the employees of the Saskatchewan Wheat Pool engaged in construction and repair of country grain elevators, annexes and cottages, and made with the full knowledge and support of the employer, the Saskatchewan Wheat Pool. I might add, Mr. Speaker, that the original submission dealing with this problem was made directly to the Hon. E. J. Benson, Minister of Finance, on August 25, 1969, in a letter by Mr. G. A. Mills, Secretary-Manager of the Saskatchewan Wheat Pool Employees' Association.

• (5:00 p.m.)

The purpose of the motion I am presenting today is to allow employees incurring a necessary and legitimate expense for meals in the carrying out of the requirements of their employment to deduct these expenses from their taxable income. At present expenses incurred for board, or received by them for board, are included in computing their taxable income.

The situation I am concerned about is that of the employees engaged in the construction and repair of country grain elevators. After submission of a brief to the Royal Commission on Taxation, some relief was obtained by a ruling of a chief assessor to the effect that those construction employees engaged in "new" construction could come under exemption by reference to section 5(2)(a) of the Income Tax Act. Although welcome, this ruling created an even more obvious discrimination in that workers employed by the same company, often engaged in work of a similar nature at the same site, are in some cases allowed to deduct the value of their expense allowance from their taxable income and others are not.

For example, and as related to the employees of the Saskatchewan Wheat Pool Association, there is the situation at Gainsborough where repairs to the pool elevator were carried out in November and December of 1968. The work performed included installing electric motors in crib annex, east frame annex, and on head. A complete new boot was installed and metal liners were put in auger box. This is but part of the work that was done there, but as this work was not classed as new construction these men were not allowed to deduct their living expenses while at Gainsborough from their taxable income. Had they built a new elevator at the station, their expenses would have been deductible.

The motion I propose would provide an equitable solution to this problem. It is only since 1961 that these workers have not been allowed to claim expenditures for meals as an expense deductible from income. From 1951 to 1961 these employees were allowed to claim as a deduction from income the amount expended for meals during the period they were required to move to different places in the course of their employment.

The 1961 ruling not to allow deduction of meal expenditure was made by the Department of National Revenue Taxation Division. This ruling is based upon section 11 (9a) of the taxation act, holding that the work site at which employees are engaged is the establishment where they report for work and therefore they would not be away from the employer's establishment to which they ordinarily report for work.

I do not dispute the legality of the interpretation placed on section 11 (9a) of the act by the legal authorities. They have, no doubt, given the wording very close and careful scrutiny and consideration. However, the refusal to consider claims for meal expenses is based entirely upon the words "where the employer's establishment to which he ordinarily reports for work was located." The fact is that the elevator construction and repair workers may work one day at Buffalo

Gap, the next day at Big Beaver, and the next four days at Yellow Grass, the next two weeks at Estevan and the next two weeks at Spring Valley. In fact, having completed one day's work at Big Beaver they may not return to that place in the next two or three years. Nevertheless, the department maintains that Big Beaver is the establishment to which these workers report for work "usually" or "generally" or "as a rule." This is a situation which must be corrected.

The department has also ruled that the non-allowance regarding claim for meals that applies to the construction and repair workers does not apply to their foremen. This creates a rather peculiar situation. A foreman, and one of his workers living next door, may be sent by the company to repair an elevator 100 miles away. While on this assignment the foreman's expenditures for meals are deductible from his taxable income while his helper, working under the same circumstances but for a lower income, has no such privilege.

It is no doubt such unjustifiable and plainly evident discrimination and inequity, that prompted the Carter Commission to make this observation, and I quote:

The self-assessment system of taxation is only a viable system if taxpayers believe that everyone is bearing his fair share of the tax burden.

The motion before you is aimed at just that. I express the hope, Mr. Speaker, that the government will see fit to adopt this motion.

[*Translation*]

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I am very pleased to take part in the debate. But first of all, we must admit that the point raised by the hon. member has not much significance. There is a point of law I wish to discuss, but I must say that the hon. member is talking about an exception to an exception, because subsection (9a) of section 11 refers to an exception to subsection (9) which in turn refers to an exception to section 5 of the Income Tax Act.

One can see that the Income Tax Act deals differently with the income of a wage-earner and that of a tradesman or someone who is self-employed.

Indeed, a self-employed taxpayer may deduct most of his expenses. If he has to go to another city for something related to his business, he may deduct the cost of his meals. If he takes to lunch someone who will help him in his business, he is entitled to a deduction. All he has to do is establish that such expenses are related to his work in a sense

[Mr. Southam.]

acceptable under ordinary accounting principles.

On the other hand, in the case of a worker who earns a salary, he must find in the Income Tax Act—and this may take much time and effort—a section which spells out the deduction which he is entitled to.

For instance, section 5 stipulates as follows, and I quote from the English version:

[*English*]

Income for a taxation year from an office or employment is the salary, wages and other remuneration, including gratuities, received by the taxpayer in the year plus

[*Translation*]

A list follows detailing what must be added. As for what may be deducted, instead of having a general accounting formula, there is a very specific list of what can be deducted.

Speaking of the case mentioned by the hon. member, I say it is a striking example of how specific the law is about allowable deductions. The basic rule is that the salaried employee is not allowed any deductions. Then, there is a list of the specific items that may be deducted.

Subsection (9) reads as follows:

• (5:10 p.m.)

[*English*]

(9) Where an officer or employee, in a taxation year,

(a) was ordinarily required to carry on the duties of his employment away from his employer's place of business or in different places,

(b) under the contract of employment was required to pay the travelling expenses incurred by him in the performance of the duties of his office or employment, and

(c) was not in receipt of an allowance for travelling expenses that was, by virtue of subparagraph (v), (vi) or (vii) of paragraph (b) of subsection (1) of section 5, not included in computing his income and did not claim any deduction for the year under subsection (5), (6) or (7).

[*Translation*]

This is the case of one of those employees referred to by the hon. member.

[*English*]

there may be deducted, in computing his income from the office or employment for the year, notwithstanding paragraphs (a) and (h) of subsection (1) of section 12, amounts expended by him in the year for travelling in the course of his employment.

[*Translation*]

I shall deal now with what can be deducted. Subsection (9) does not deal with the cost of meals. However subsection (9a) says the following:

[*English*]

(9a) An amount expended in respect of a meal consumed by an officer or employee shall not be included in computing the amount of a deduction under subsection (6) or (9) unless the meal was consumed during a period while he was required by his duties to be away for a period of not less than 12 hours, from the municipality where the employer's establishment to which he ordinarily reported for work was located and away from the metropolitan area, if there is one, where it is located.

[*Translation*]

Let us suppose for instance that a construction worker is employed by a company whose head office is in Big Beaver and that he has to work 100 miles from Big Beaver and stay there less than 12 hours, and that his employer does not pay him any travelling expenses. I must tell you incidently that if the employer pays him travelling expenses, section 5 (2a) applies then but it is a different case.

If the employer provides no allocation and the employee has to pay his own expenses, the latter is entitled to the deduction. Under the change proposed by the hon. member, in order to be entitled to the deduction it is sufficient for the worker to earn his living alone. If he works, not only at a great distance from his boss's office, but far from his usual residence, he is entitled to the deduction.

Under such circumstances, a general deduction may be justified if expenses are incurred by the worker in the process of earning his living. But the proposed amendment generates another type of injustice because, as I have told the member, it is only necessary to work in a location away from home. So, if a man lives 100 miles from Toronto but works in the latter city, he will be entitled to a deduction under the terms of the amendment moved by the hon. member. It may be argued that he is entitled to a deduction under these circumstances, but is it not a fact that the man who lives in Toronto and performs the same work should be allowed the same deduction?

There is something else to be considered in the latter's case. We come to the abnormal conclusion that the unmarried worker with no dependent is not entitled to the deduction. In fact, the amendment merely states that the worker must live far from a town where, and I quote in English:

[*English*]

—he maintained a self-contained domestic establishment ... in which he resided and actually supported a spouse or a person dependent upon him for support and connected with him by blood relationship, marriage or adoption—

[*Translation*]

Only those in the circumstances described will be entitled to the deduction. Where, indeed, one must ask, is the justice of this? Clearly, a man's living expenses are the same whether he has a family, lives far from his place of work or is single.

Briefly, the employee has to be specifically informed as to whether, in all fairness, he is entitled to the deduction. Without singing the praises of the white paper on tax reform, it can be said that it does seek to establish a much fairer taxation system, and that it recognizes the salaried worker's right to living expenses. Paragraph 2.12 of the white paper reads as follows:

[*English*]

The government proposes to make more provision in the law for the expenses legitimately incurred in earning wages or salaries. However, it has reached the conclusion that claims for expenses on the broad bases suggested by the commission would either impose record keeping on millions of employees or deny them the ability to submit acceptable claims.

[*Translation*]

That is those who do not keep their bills and receipts.

[*English*]

It would also produce an almost impossible processing task in tax administration with inevitably long delays in making refunds. Consequently the government proposes that general limits be retained on the expenses that can be deducted from employment income but that a general deduction be provided.

[*Translation*]

I insist on that. I continue:

[*English*]

—and somewhat greater recognition given to special situations where employees have to live for a period of time at a work site away from home.

[*Translation*]

That is an answer to the unfairness pointed out by the hon. member, since the white paper deals specifically with that situation where a single man or a married man with or without dependents must work, without any financial help from his employer and far from his home. And I emphasize the fact that the

system proposed in the white paper will bring about results much fairer in such circumstances.

So, that led me to look for the rulings handed down under that section of the Income Tax Act, since I have heard about the differences between the deductions allowed the employers on the one hand, and, on the other, the wage-earners, and I wish to raise serious doubts with respect of the two different rulings rendered under that section. It is true that the rulings produced strange and varying results between the case of a construction supervisor and that of a worker. But the ruling was rendered in the lowest court, and I wish to point out that, if there were an appeal, it might give satisfactory results.

We then refer, and the hon. member did it himself in his remarks, to the way the following expression is construed:

• (5:20 p.m.)

[*English*]

—from the municipality where the employer's establishment to which he ordinarily reported for work was located—

[*Translation*]

I stress the word "ordinarily". I wonder whether, when some industry settles somewhere to perform a job of one or two weeks' or a few days' duration, it can be said that the employer's establishment is "ordinarily" located there. If there is an appeal in a case similar to that described by the hon. member, results might be different.

Mr. Speaker, on the whole, I am in agreement with the hon. member when he says that the provisions of the act are a little odd. The rulings made under that subsection are also odd, and perhaps the law does not justify them.

I hope that an appeal will be made soon, so that we may know the full implications of the act. We find, however, that the remedy proposed by the white paper is much fairer than would be some minor changes to certain sections of the act, which, although they correct many injustices, have also created many others. In fact, workers with a family or dependents, within the meaning of the Income Tax Act, may deduct the price of their meals when they work in a locality far from their homes, while single persons do not have this right.

I must say, however, that I am happy to note that some of those provisions are interesting and that certain groups, which the hon. member has mentioned, are ready to make

representations on behalf of the wage-earners. I think it might be said that the reason why there is a difference in the way salaried workers and businessmen are treated is that in the past—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member, but his time has expired.

[*English*]

Mr. John Burton (Regina East): Mr. Speaker, I wish to indicate my support for the motion introduced by the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam). I do not intend to speak at any length on this subject or to use it as an opportunity to practise my French because I cannot at this stage imitate the effort of the hon. member for Don Valley (Mr. Kaplan). Although I can offer him my congratulations on his very good effort in speaking French in this debate, I may have some other comments with respect to the content of his remarks this afternoon.

I think it is very timely, Mr. Speaker, that this resolution has been presented to the House just prior to the presentation of the budget by the Minister of Finance (Mr. Benson) which is to come on Thursday next. Indeed, I hope it is possible to bring this motion to a vote this afternoon in order that it may have some influence on the Minister of Finance and the measures he will bring forward in his budget.

I think it is very important for us to take a look at the situation of various groups across Canada which are affected by the application and interpretation of our taxation laws. Whenever we find ways and means of improving the situation for a group of people or rectifying a wrong or error in the application of tax law, we should take advantage of the first possible opportunity to correct the situation.

Reference has been made in this debate to the white paper on taxation which is presently under study, and to the fact that some proposals contained in the white paper deal with the situation of employees. Now, Mr. Speaker, I think it is always commendable to consider these matters; but, at the same time, people working in the calendar year 1970 will have to live with the present tax law, and whenever we find it possible to deal with problems that have been drawn to our attention, I think we should take advantage of the first opportunity to do so.

Everyone, I think, believes in reform, but one does not put it into effect by putting it off

until tomorrow. I think the real measure of one's belief in and dedication to reform is one's willingness to take action now. The example that was drawn to the attention of various hon. members of the House of Commons and the Royal Commission on Taxation a number of years ago involves the Saskatchewan Wheat Pool Employees Association, the bargaining agent for a large number of employees employed by the Saskatchewan Wheat Pool which, of course, is an organization very well known to hon. members. The association has drawn to the attention of the Royal Commission on Taxation and various hon. members of this House the problem facing a number of employees who are engaged in construction work and a number of existing anomalies. Reference has also been made in this debate to the situation involving two men who live side by side and who may go to work at the same place. One is a foreman and the other simply working under his direction. Yet these two people will be treated differently as the result of the application of the present law.

I should also draw to the attention of hon. members that the Saskatchewan Wheat Pool Employees Association was not taking issue with the interpretation of the law as such. They are asking for a change in the law because of certain facts and because of the interpretation that has been placed upon the law as it exists. Thus, in my opinion, consideration ought to be given to the situation of people working away from home.

• (5:30 p.m.)

It is highly questionable whether the living allowance provided to certain employees can really be classified as income. A change in the law is badly needed in these circumstances. I hope it will be possible to bring the resolution to a vote in order that members can express themselves on the subject and have an opportunity to correct an injustice suffered by a number of people who are presently employed by the Saskatchewan Wheat Pool. Certainly, there would be implications affecting other employees in other parts of the country. I trust the House will express its support for the motion.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I have a few words to say on this subject. It seems to me that the malfunctioning of the act, or whatever one might wish to call it, is an example of one kind of difficulty we encounter in this country, the result of a certain remoteness from various events which touch people's lives. Perhaps this causes them annoyance rather than real hardship. It is only a slight hardship, not to be able to deduct the cost of a lunch or one meal a day, when reckoning income tax. It would probably not make or break anybody. But it does seem on the face of it to be stupid. In a situation such as the hon. member has described, what could be more natural than for an employee who is a long way from his employer's place of business to need to eat sometimes? Why should he not be allowed to deduct the cost of the meal simply because he is a long way from his employer's place of business? I fail to understand it.

I hope that whether or not the motion before us goes through today, the Minister of Finance (Mr. Benson) and his minions in the back rooms will devote a good deal of attention to it. There is nothing dark or sinister about the changes which the hon. member feels should be made. The federal government will not lose hundreds of millions of dollars; no greasy, cigar-smoking multi-millionaire in a Cadillac will be getting away with expenses to which he is not entitled. The hon. member for Calgary South (Mr. Mahoney) sees this every day, I suppose, in his constituency, but we do not in mine and I am sure they do not in Qu'Appelle-Moose Mountain.

Talking about expense accounts and looking at the proposals which some of the minions in the back rooms of the Department of Finance have produced and placed in the hands of the minister in the form of the white paper on tax reform, it occurs to me that though many of them contain good ideas, others are the product of inquisitorial minds which decline to assume that most people in this country are honest, that most people are not trying to get anything for nothing. Specifically, the new tax proposals would deny all allowances for expense accounts. This is the proposal which has been made. I purposely brought up the image of the cigar-smoking millionaire driving around in a Cadillac. We want to get after these people and cut down some of their expense accounts. But when people with logical but somewhat insular or protective minds begin to formulate policy proposals, they come up with something along the lines I have just mentioned.

In Winnipeg we are fortunate to have some medical people of high calibre. During the year and a half in which I have been in this House I had never been the subject of the slightest pressure from them, on any matter,

until we got into this expense account proposal. Doctors at every level in Winnipeg and Manitoba have been writing to me asking whether the government could not be a little selective in this proposal. How are doctors to upgrade themselves if they cannot attend conventions and claim legitimate expenses? I have had letters from engineers asking how they can be expected to keep up their qualifications as they go through life, if they cannot associate with other engineers at conventions or take courses and upgrade their knowledge.

Are these expenses not as legitimate as the expense of going to school? Concessions can be misused, of course, but it is the job of the taxation department to see that they are not. It is up to the legal people to see that the tax laws are not broken. A country cannot be run on the basis that everybody is a crook, trying to get away with illegitimate expenses. The section of the white paper to which I have referred is a perfect example of the stupidity to which attention was called in the complaint put forward by the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam).

There is another area in which the same kind of nasty, suspicious mind is at work. I refer to the business of evaluating everything in a house. I know there are people who have made fortunes through misusing personal goods, trafficking in pictures, and so on. They should be paying taxes, as should any other speculator, when they make it their business. But I am thinking now of the average person. To have someone enter his house and evaluate everything in it, and allow him $1,000 a year appreciation on the value of his house, is unacceptable to my way of thinking. This appears to work out at 4 per cent on $25,000. For some time inflation has been running at a little more than 4 per cent. A value of $25,000 is not out of the way for a house in this day and age. So we are not giving the owner anything: he owns his own house, and the proposal is to charge him any capital gain he may make on it.

Then you have these snoopers going in and putting a value on a man's personal property and telling him that if he sells it, trades it or dusts it off he will have to pay the government something. It seems to me that a long time ago I read something about this in the Domesday Book. It used to be fashionable in England 1,000 years ago. They got rid of that concept about the time of Edward the Confessor, and it is time we rejected this sort of concept being brought into Canada.

There must be a way of being reasonable about these things, of getting taxes from those who are trying to be unreasonable while leaving the average man of good will in a position in which he can live his life without looking over his shoulder at some nameless, faceless government which by and large is doing a good job to protect his rights. It is the sort of proposal to which I have called attention, which undermines the faith of the ordinary man in his government, in the good will of his government and in the ability of his Member of Parliament to do anything on his behalf.

[Mr. Osler.]

• (5:40 p.m.)

I am not a lawyer, and this change may not be technically possible in the form suggested. If it is possible, I think the change should be made. If it is not, the Minister of Finance should pay attention to what has been proposed in the motion and have his backroom boys amend the law in an appropriate manner.

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, may I first congratulate the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) for bringing this motion forward. I have for many years been informed about this injustice by people in my area. Many labourers complain to me about this unjust tax. It seems strange that it should apply only to labourers and not to foremen on the job.

I appreciate that these people are suffering an injustice. In the first place, they are put to added expense if they are living miles away from home. We all realize the extra cost involved in this. I had never before appreciated the great disadvantage to which they are put by this injustified tax, which seems so unnecessary. This is especially so when the foremen, the man in charge of the job, is not compelled to pay it whereas the labourers are.

Members of the Saskatchewan Wheat Pool Employees Association have drawn this injustice to the attention of Members of Parliament across the country. I am very happy that the hon. member for Qu'Appelle-Moose Mountain has introduced this motion and I hope that the House will allow it to come to a vote. Since every hon. member has spoken in favour of the motion, this is an injustice that should cease forthwith. Its existence is beyond me. I will take no further time in the hope that the House will allow the motion to go forward and thus correct an injustice suffered by the labouring people of this country.

Mr. Philip G. Givens (York West): Mr. Speaker, unlike my hon. friend from Winnipeg South Centre (Mr. Osler) I am not one of those guys who smokes a greasy cigar—though I am not sure what he means by a greasy cigar—or a smelly pipe. Neither do I see what is wrong with driving around in a Cadillac. I used to drive around in a Cadillac when I was employed by the city of Toronto—a chauffeur-driven Cadillac. I guess my wife also thought, as the hon. member does, that there is something wrong with that and she humbled me twice a week: after the chauffeur had driven the car off the driveway she made darned sure that I carried out the garbage.

As I told the Prime Minister (Mr. Trudeau) the other day when I was riding in his car, there is one thing wrong with riding in a car like that: when you lose the next election, the car stops coming to your door. I lost the next election and blew my chauffeur and the whole deal. Now I do not drive around in a Cadillac any more. But let me assure the hon. member that there is nothing wrong with driving around in a Cadillac, and especially is this so when you are driving around at somebody else's expense.

I cannot support the motion moved by the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam). I think that one of the terrible things from which we suffer in this modern state is a multiplicity, a plethora of exemptions and deductions. We are cursed with them. There are exemptions that are peripatetic, exemptions that are casual and exemptions that are isolated.

My hon. friend from Winnipeg South Centre says that everybody is honest, that everybody will give the government a fair shake, and that we should not snoop into this or that. I should like to tell him that the amount of pilfering in this country from stores, businesses and various organizations is a national scandal. I wish I had known beforehand that this discussion was coming up today, because I would have liked to bring to the House statistics to indicate how dishonest a lot of people really are. The effect of this dishonesty on many businesses is much worse than any Benson white paper could possibly be. This is due to the basic dishonesty of human beings. I am afraid—

Mr. Southam: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Béchard): Order. The hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) is rising on a question of privilege.

Mr. Southam: Mr. Speaker, I appreciate the hon. member's remarks in so far as they apply to this motion, but what I do not understand and should like him to explain is how he qualifies his insinuation that the employees of the Saskatchewan Wheat Pool are dishonest in their request that the income tax law be amended in this way in order to remove the discrimination that exists. The hon. member has heard other colleagues of his in this House agree with the motion. I do not think there is any dishonesty implied here.

Mr. Givens: Mr. Speaker, I was not accusing the hon. member of stealing, and neither was I accusing the people that he is speaking for. I was just making a general statement in reply to a comment made by my colleague from Winnipeg South Centre, who stated that people were so honest that these exemptions and deductions can be justified, and that people receive justice in this way.

I do not think you can get justice by multiplying the exemptions and deductions that are permitted under the income tax law at the moment. According to the tax law, there is a difference between a self-employed person and one who works for wages. This is something that as I have gone through business life I have never been able to understand. Why should people who are self-employed be treated differently from those who are salaried or receive wages? For example, how can you determine the cost of a meal, whether eaten in a catering establishment or on the job? I suppose if you get a chit from a restaurant, this would be one way. But how much can one eat? Is a grilled cheese sandwich different from a steak, and is its cost deductible? I do not think that one meal would make much difference; but when you multiply it by the number of working days in a year, in view of the way some people eat the cost could amount to several hundred dollars.

I cannot support the motion for reasons of this kind. This motion typifies the desires of people who think they can right an injustice by opposing the raising of revenues, and who always favour chipping away at revenues on some pretext or other. I do not think the workers in the west will get justice in this way. I do not think you can get justice by making exemptions and deductions, by making exceptions to exceptions to exceptions. If I had my way I would scrap all

exemptions and deductions and start again from scratch.

Mr. Kaplan: Mr. Speaker, would the hon. member permit a question? Does he think that a grilled cheese sandwich should be treated differently from a steak?

Mr. Givens: Mr. Speaker, I do not know whether I should beef about that suggestion or not, but obviously there is a difference between a grilled cheese sandwich and a steak. I am wondering why some people should be able to eat at the expense of the taxpayers while others are not. This kind of situation can be perpetuated ad infinitum, and I think it is wrong. If you are self-employed that is one thing; if you are on salary or wages, that is another; if you are a Member of Parliament, that is still another. I do not think we should change the law in the manner suggested by the hon. member's motion. I think that in a large industrial area such as the one I come from, the adoption of this kind of motion would create many more problems than it would cure.

• (5:50 p.m.)

Mr. P. M. Mahoney (Calgary South): Mr. Speaker, although not for the usual motives, I should like to assure the proposer of this motion that in speaking to it I am not going to kill it with kindness, because hopefully it will come to a vote and I will have the opportunity to vote against it.

Before commenting on the resolution I should like to congratulate the hon. member for Don Valley (Mr. Kaplan) on his tour de force en français. It was a remarkable performance and one for which he is indeed to be congratulated almost as much as one might congratulate the hon. member for Winnipeg South Centre (Mr. Osler) for working his way around to the point where the value of a lunch became the value of a house. I do not know how many cigar-smoking, Cadillac driving millionaires he knows or I know, but I think they are the exception. Even the proposition that came to us from the officials of the tax department in respect of this question amounts to attacking a mosquito with a sledgehammer.

I am inclined to think that there is a great element of overkill in the white paper proposals which would dispose almost entirely of many of the items in valid expense accounts and convention attendance to which the hon. member alluded. This motion proposes an amendment to section 11(9a) of the Income Tax Act. If the amendment were adopted by the passage of this motion on second reading, this part of the section would read:

> An amount expended in respect of a meal consumed by an officer or employee shall not be included in computing the amount of a deduction under subsection (6) or (9) unless the meal was consumed during a period while he was required by his duties to be away, for a period of not less than 12 hours, from the municipality where—

Then we get the change.

> —he maintained a self-contained domestic establishment in which he resided and actually supported a spouse or a person dependent upon him for support and connected with him by blood relationship, marriage or adoption—

This would be followed by the words as they are in the act:

> —and away from the metropolitan area, if there is one, where it was located.

I am not sure what the metropolitan areas are in the constituency of Qu'Appelle-Moose Mountain, but this proposal would present some problems to people living in our larger cities. The first reason I would oppose it is, basically, that there is a built-in discrimination against persons who are maintaining a domestic establishment in which they support people related to them either by blood, marriage or adoption. Perhaps the hon. member would explain at some point why he chose to discriminate against at least most bachelors who are not supporting in their household someone related to them by blood, marriage or adoption. It does not seem to me that this discrimination makes a great deal of sense.

The second reason I would oppose it is that the main thrust of the resolution, even if it were corrected to eliminate the objection I have raised, would be that an employee would have it within his judgment whether or not he would arrange his affairs in order to take advantage of this deduction. The onus or initiative would be on him to determine, of course, where he lived in relation to his job. The way it is now, it is up to the employer whether he wishes to send the employee away from his regular domicile in order to perform a given function.

In this way a man regularly employed, for example in the city of Regina, could unquestionably determine that he would like to live in the doubtless more amenable surroundings of Moose Jaw and commute regularly to work. He would be entitled, provided he was not a bachelor, to support within his home someone related to him by blood, marriage or adoption and qualify under the proposal for the deduction of his travelling expenses.

If the tomato growers from the Niagara peninsula have something to contribute to the debate, perhaps they would move to their own seats and do so from there. I should be glad to give up the floor to the hon. expert any time he wants it.

Mr. Whelan: I just want to point out, Mr. Speaker, that if the hon. member is as accurate about the topic on which he is now speaking as he is about geography, his remarks should be stricken from the record.

Mr. Mahoney: I must apologize to the hon. member for placing Windsor in the Niagara peninsula, and I am not too sure how many will not forgive me for that. I apologize in any case, sir. Another anomaly in the motion is that it is presented on behalf of the Wheat Pool Employees Association and endorsed by the Wheat Pool itself. It seems to me that with a little bit of agreement on attacking someone other than the government to change the Income Tax Act in order to accommodate their own desires, they could very rapidly, by the use of their collective bargaining processes, avail themselves of the advantages offered under section 5(2) of the Income Tax Act. That section was adopted in 1957 and it is one with which I am sure the hon. member for Meadow Lake (Mr. Cadieu) is familiar. I say this inasmuch as it deals with construction employees. Under that section construction workers may exclude from their income, under the circumstances spelled out—I am sure these people would have no difficulty falling under this provision—allowances paid by their employers to cover travelling expenses, meals and lodging, and so on, between their regular residence and the site of the construction work.

On the introduction of this measure into the House the then Minister of Finance, Hon. Donald Fleming, pointed out the very danger we are encountering when we start to consider ad hoc amendments to the Income Tax Act in order to deal with a very special and particular circumstance. At page 2327 of *Hansard* for 1957-58, volume 3, the then Minister of Finance said:

> We have given to this plea of the construction workers very careful study and have brought forward this amendment, not without misgivings in regard to the difficulties of administration which might present themselves. I would, however, ask the committee to bear in mind that there has been no opportunity for giving consideration to the position of other workers who may consider that their tax position should be regarded as equivalent to that of the construction worker in the view embodied in the present clause.

So today we have another group of workers who feel they are entitled to special treatment and that the proposals on tax reform—

The Acting Speaker (Mr. Béchard): Order, please. The hour appointed for the consideration of private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

NATIONAL ENERGY BOARD ACT

AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATION, POWERS, ETC.

The House resumed consideration of the motion of Mr. Greene that Bill C-190 to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, at five o'clock I was suggesting that when a commodity, in this case energy, is in demand in the United States or in some other area, we try to obtain a better deal than we have been getting. For example, we might tie gas sales in with oil sales; we might make one sale conditional upon the other. Gas is in demand and is in relatively shorter supply than oil. If we are to export gas to the United States, we might try to make oil sales part of the deal. I think this would be good business. Our neighbours to the south, the Yankee traders, are pretty shrewd businessmen and would probably do something of a similar nature if the situation were reversed.

I should like briefly to discuss another idea. Rather than move our energy such as water, gas, oil and power to the big cities or other places for manufacturing purposes, sometimes it might be more sensible to move industry and people to the sources of energy. It would seem to me to be only reasonable that on occasion we consider this approach.

Cities are becoming congested; traffic is a continual problem. We have built up urban ghettos where there are crime waves and a network of social problems which the smaller centres do not have. Recently I read that

industry in Great Britain has been encouraged to move out into the country or to more rural areas. It seems to me this would be a sensible approach to take in this country, at least in part. We might on occasion move the people and industry to the power, rather than moving the power to people and industry in the cities.

The United States is proposing a continental energy policy. If the United States really believes in this policy on a reciprocal basis, I think it would behoove that country to encourage some industry to move to our sources of energy rather than expect our water, power, gas, and so on to move to centres of United States industry. If the United States really believes in a continental policy, and if Canada has an advantage because of our raw materials, we might conceivably use this as an approach in solving the over-all problem of industry in North America. I strongly suggest that we use our abundance of energy resources as a lever in order to make a better deal in respect of any future agreements with the United States.

If private business will not develop industry in Canada, where there is a great amount of natural and relatively cheap power, I suggest we look carefully into having the Canada Development Corporation build industry in these resource areas. We could tie our industrial growth in with private industry in this connection. As an example, when the CCF government was in power in Saskatchewan it underwrote the bonds in order to finance the building of the pipe plant in the city of Regina. This was a private enterprise backed by provincial government funds. That plant is a particularly productive and going concern. In fact, at the present time in Saskatchewan, where much of the industry is stagnant, this particular industry has expanded.

Just a few days ago an oil man suggested to me that if a decision were made to build a pipeline from the Mackenzie basin to Chicago, they did not know where they would obtain the pipe with which to build the several thousand miles of pipeline required. In the development of industry in Canada I think there is room for more and continued use of our own energy resources. Instead of importing many of the required items, I think we should take advantage of the opportunity to produce more of them ourselves. In this regard I believe that in co-operation with business we might be able to create the industries to produce some of these items. However, if private enterprise is not interested, I would suggest that in a federal company sense we might ourselves build some of these plants.

• (8:10 p.m.)

We should seriously consider this approach rather than just making a deal whereby we give away our raw energy resources to the United States and do not receive an equivalent long-lasting benefit in return. In effect, we will be hewers of wood and drawers of water forever, in the economic sense, if we do not adopt such a policy. If we want to convert Canada into a modern, industrial state we will have to look seriously at some of these aspects in regard to power in our own country.

Mr. Deputy Speaker: Is the House ready for the question? Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

OIL AND GAS PRODUCTION AND CONSERVATION ACT

AMENDMENTS RESPECTING DEFINITIONS, APPLICATION, OIL AND GAS COMMITTEE

The House resumed from Friday, February 13, consideration of the motion of Mr. Greene that Bill S-5, to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works, and of the proposed amendment thereto of Mr. Aiken (page 3591).

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, this bill is very important because of its principle and substance as shown in clauses 3 and 6. Clause 3 makes it clear that the principle of Bill S-5 applies "in respect of oil and gas in any of the following areas", and then it states that these include the Yukon Territory and the Northwest Territories. The clause then provides:

> —or if the administration of the oil and gas resources in the area has been transferred by law to, any of the ten provinces of Canada.

From that clause we clearly understand the intent of the government to apply the principles of this bill to practically all the areas of Canada included in the provinces and the territories. Clause 6 covers a vast field

because it authorizes the minister or such other person as the Governor in Council deems suitable to exercise such powers and perform such duties as may be necessary for the removal of oil or gas from any area that is outlined in clause 3.

As I said, it is not only an important bill because of its provisions under which a great deal of authority can, will and undoubtedly must be exercised, but it is one in which I find myself keenly interested from an historical point of view because in discussing clauses 3 and 6 we are dealing not only with matters of drilling and pollution but also those of jurisdiction and sovereignty.

In making my own small, personal contribution to the debate I should like to touch on all these factors. As I said, I am keenly interested in this matter because, if my memory serves me correctly, some 25 years ago I moved a motion in the British Columbia legislature foreseeing the problems that have developed in the past quarter of a century and asking that the province of B.C. and the federal government get together to discuss the question of jurisdiction and sovereignty. My motion asked that they go into all the details of the issuance of licences, fees for drilling and the question of royalties; and if they could not get together or reach a satisfactory conclusion, that the matter be referred to the Supreme Court, and pending a decision of the Supreme Court that the government, temporarily at least, exercise jurisdiction but put the money into escrow until such time as the Supreme Court reached a decision.

I mentioned that matter to show that my interest is not new in this most important phase of our economy, and is not just a first interest in the act, the principles of which are espoused throughout the length and breadth of this country. Other speakers have mentioned time after time the dangers of oil pollution and the requirement for the powers which are outlined in this bill. I believe it is not possible to overemphasize the seriousness of oil pollution. It was only recently that the Society for Pollution and Environmental Control put out a most interesting and factual document. Mention has been made of their report by other speakers, but I feel that as a certain amount of detail was not given I should take the opportunity at this time to mention it.

As I say, a study was made and a report was published. I hope it was sent to all members of this House, because in the analysis of the problems and dangers of oil pollution to Canada they pointed out a significant, but I think not too well known fact, that in the three years preceding the wreck of the *Torrey Canyon* 91 tankers were stranded in various parts of the world and 238 tankers were involved in collisions. If we make a breakdown of the record of this society, we find that in the world at large tankers have been involved in potentially serious accidents on an average of twice a week. According to the available information, during the past 10 years 488 tankers of 30,000 tons dead weight or more that are registered with the American Bureau of Shipping were involved in 573 collisions, an average of one a week, and in 43 of these accidents oil pollution was a possibility.

• (8:20 p.m.)

I think that in order to understand the importance of this bill and the principles contained therein we should note the facts which are available to us, especially the knowledge that the largest number of accidents of tankers carrying oil—83 per cent of them in the last ten years—occurred either close to shore or in ports, areas of the greatest economic, aesthetic and nutritional importance to mankind. We also have to keep in mind that the size of tankers is ever on the increase. Unfortunately, as we have learned to our bitter regret from the experience of recent days and weeks, there is a lack of technology on how to handle oil spillage and oil pollution. But particularly is there a lack of knowledge and technology in handling oil spillage or pollution, tanker collisions or collisions with icebergs in cold weather and Arctic waters. I was most interested recently to read in more than one scientific magazine that scientists state that the potential biological and environmental damage which could result from oil spillage would be most serious in Canada's Arctic. The scientists maintain that the climate will prolong the existence of spilled oil and oxidation and dispersion, which may take several months in temperate climates, will take years in the Arctic.

These reports have been the reason for some of the knowledge I have acquired in recent months. Because of the statements being made by our own scientists and others, because of the future development which we can foresee in the Arctic, particularly with the new field opening up with the second voyage of the *Manhattan,* I am glad that at

long last the government is moving to exact the necessary statutory provisions which will give them the power and the control necessary to not only develop our technology on oil pollution and control the drilling of oil wells in all areas of our country but to bring down regulations that will apply to the vehicles, be they tankers or pipelines, through which oil will move throughout Canadian lands and waters.

I do not think I am overemphasizing the importance of the application of this bill to our Arctic waters. I was most intrigued in reading the publication that was put out not so long ago by Dome Petroleum Limited. I think most of us have not recognized the potential of the Arctic islands. According to the facts, figures and analyses made by Dome Petroleum Limited, the recoverable reserves of northern Canada are 105 billion barrels of oil and 450 trillion cubic feet of gas. In the Arctic it is estimated that we have 85 billion barrels of oil and 510 trillion cubic feet of gas. When we recognize that the water between Greenland and Ellsemere Island is open nine months of the year, and that there is now the potential use of reinforced tankers, it appears there should not be any problems of access to the eastern Arctic islands on a year round basis. This adds to my gratitude in the government having seen fit to take some action through the introduction of Bill S-5.

Mention has already been made—and undoubtedly we will hear a great deal more, not only in this House and in the other place but in the press about it—of jurisdiction and sovereignty. I am glad that this phase, which is of importance to principles contained in this bill, was referred at least so far as the province of British Columbia is concerned to the Supreme Court of Canada. I believe I am correct in saying that there was a general understanding that although the referral was as between the federal government and the province of British Columbia, the decision of the Supreme Court would have application to any province with a coast line, and to the Yukon, the Northwest Territories and the Arctic islands as well. I regret very much that apparently there is still a blockade to arriving at an understanding between the federal government and the provinces.

I remember very well the statement made by the Prime Minister (Mr. Trudeau) on Monday, December 2, 1968. I believe it would be as well to refresh our memory as to what the Prime Minister stated. He pointed out that the question of offshore mineral rights had been a matter of controversy for some time. He commented on the decision of the Supreme Court of Canada. He commented on the fact that the court's opinion was that the federal government is entitled to proprietory and other rights in new areas offshore from the historic boundaries of British Columbia, and said that the Supreme Court confirmed the view of the federal government. But in that speech the Prime Minister said this:

> I am announcing today certain steps the government is taking and certain proposals we are making to the provinces which we believe to be both important and equitable.
>
> In the light of the Supreme Court's unanimous finding in favour of the Crown in right of Canada, on the basis of principles that would appear to be substantially applicable to the east coast as well as to the west coast, the main problem becomes one of delineating the areas concerned to meet the practical requirements of mineral resource administration.

I emphasize the remarks of the Prime Minister in 1968 on mineral resource administration and the promise that was made in December, 1968, because the Prime Minister also said:

> We are offering to work out in conjunction with each of the coastal provinces a method whereby they would, in effect, administer any offshore mineral rights under federal jurisdiction on the landward side of the mineral resource administration lines.

• (8:30 p.m.)

This statement of the Prime Minister in 1968 has a most important bearing on whether or not it will be possible to make the most efficient application of the principles embodied in Bill S-5 until this management, the granting of leases, the collection of fees and royalities has been worked out with the provinces. Because it has not been worked out we find ourselves in difficulty almost all the time. Mention has already been made of the unfortunate squabble, if I may put it that way, between the province of British Columbia and the federal government as to who has the power for drilling in the Georgia Strait. Heaven forbid there should ever be any drilling in the Georgia Strait, in the immediate offshore waters of British Columbia or any other offshore waters. If there is, there must be control and it must rest in one hand—that hand has already been declared by the Supreme Court to be that of the government of Canada. Bill S-5 is an indication that the federal government agrees with the Supreme Court.

Although many months and indeed years have passed, there is no indication of an intensification in recognizing the necessity of working out the most minute detail of the differences between the provinces and the federal government, of working out a method of administration and management. I sincerely hope that as a result of the introduction of this bill—I am certain of its acceptance in principle—we will see as a necessary step, a corollary to this bill and the application of its principles, the working out of the problems which still exist. Of course, that is just a problem of jurisdiction within the boundaries of our country. We have also heard a great deal, and will in the future, about the question of sovereignty over the Arctic waters.

I am glad that there seems to be a growing tendency on the part of the government to make clear to all countries what it maintains is Canada's sovereignty and that it intends to enforce Canadian laws and regulations—there will be many new ones under Bill S-5—relating to the maintenance of water quality and pollution prevention and control. I maintain that we require even more action than we have seen in recent weeks in order to make our sovereignty known in unmistakable terms to all countries of the world.

We know, or should know, that the continental shelf doctrine states that the resources of the sea bed and subsoil belong to the nation. That principle was incorporated in the United Nations Geneva Conference on the Law of the Sea in 1958. Although it is a little more debatable, I think we have an additional argument on sovereignty where this bill will have a great impact, and additional strength in that the World Court in 1951 held that the base lines system was permissible and legal and that a country was justified in using it even though the waters which were formerly part of the high seas became subject to domestic ownership. This also became part of the Law of the Sea by the 1958 Conference of the United Nations at Geneva.

If this bill is to mean anything, if its objectives are to be accomplished, I hope we will immediately work out our problems regarding jurisdictional administration, division of royalties and other questions of financial return.

I hope we will more emphatically make clear the sovereignty of our waters; that we will keep in mind the absolute importance for the future of our country and of mankind to enforce laws regarding the dangers of pollution, and to acquire the technology necessary to control it when it occurs.

Mr. Speaker, as I draw to a conclusion I should like to emphasize, not in my own words because I have read words that explain it much better than I can, this fact. I remember, as I think the majority of us do, the adventure of the sea lion which a few years ago escaped into Lake Ontario from a zoo at a Canadian summer resort. I remember reading a comment on that misadventure which said that the sea lion lived for several months in Lake Ontario and died shortly after it was recaptured. The reason for death was malnutrition. There was general public sympathy for the sea lion, but I believe there should have been more concern over the condition of our lake in which the sea lion starved to death. I cannot think of a better commentary on why we in this House of Commons, with our responsibilities, should not be paying the deepest attention to these matters and to a bill with implications and principles such as we see in Bill S-5.

So this evening, Mr. Speaker, when man boasts of reaching the moon, let us hope he does not forget the oceans and rivers and streams that flow by our door. It is indeed a strange fact, that while we are probing outer space for other forms of life, we are neglecting one of the foundations of our own existence. I say it is time we smartened up, and I think this bill is a step in the right direction.

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, I should like to add my voice to those of the many members who have spoken in this debate on the dangers of pollution in Arctic waters. It is a very serious problem and one which this country must meet very quickly.

This bill is pertinent in two ways. It would be pertinent to the possibility of oil pollution in connection with drilling on the sea floor, and it would be pertinent in relation to the pipelining of cured oils from island to island, to the mainland or to seaports in Baffin Bay. If the Panarctic consortium should strike a large deposit of oil at Banks, Melville, Ellesmere. Axel Heiberg or one of the other islands of the high Arctic, we would face the problem of pipelining it out on the sea floor, if that should prove possible, or of finding some other means of transportation.

• (8:40 p.m.)

However, Mr. Speaker, that which has most interested Canadians recently, the voyage of the *Manhattan*, is not affected by this bill. It is to this aspect that I wish to address these

few remarks. I am a little disturbed by the course the debate has taken. As I said earlier, I share completely the feelings of many hon. members who have spoken and who are afraid of the havoc which could be wrought in the north by oil pollution. Unfortunately, instead of leading the House into a discussion of this bill which is designed to give Canada control of operations on the sea bed, several hon. members have turned this debate into one on our sovereignty over the Arctic waters. I see no connection between these two subjects.

I shall refer briefly to the remarks of the hon. member for Parry Sound-Muskoka (Mr. Aiken) who moved the amendment to hoist this bill for six months, and the remarks of the hon. member for Peace River (Mr. Baldwin) which followed. On February 13, as reported at page 3590 of *Hansard*, the hon. member for Parry Sound-Muskoka said:

> I think there are two matters that have to be considered seriously, not as to the detail or content of the bill itself, but as to its general effect. The first is what I consider a derogation of the sovereignty of Canada in our northern waters by virtue of a definition in this bill.

On the same day, as reported at page 3595 of *Hansard*, the hon. member for Peace River, in referring to the bill said:

> In my opinion it could have a serious affect on the Northwest Territories. Both by expression and implication it amounts to a serious diminution of Canadian sovereignty over the waters of the Arctic.

Other than being concerned with operations on the sea bed such as drilling, which may pollute those waters, I contend this bill has little to do with the waters of the Arctic. It does not affirm our sovereignty over the Arctic waters between our islands either negatively or positively. That is an entirely different issue. I do not want to belabour the point but, briefly, there are three areas of concern touching our sovereignty in the north.

One area concerns our sovereignty over the land, and there I think our concern ought to be practically zero because we are not challegend at the moment, and provided we are not so foolish as to lose interest in our northern islands and give them to other people our sovereignty there is assured. The second area of concern has to do with the waters between the islands. I have spoken at length in this House on the matter because I am very concerned about it. I feel that by way of a declaration that they are internal waters or territorial waters, the government ought to exert control over the Northwest Passage.

[Mr. St. Pierre.]

We must be in a position to inspect oil tankers or submarine tankers which may go through in the foreseeable future. This country, and this country only, is in a position to exert that sovereignty. However, this is not what Bill S-5 is concerned about. It relates to the continental land mass of the Yukon and Northwest Territories as well as the Arctic archipelago which lies above it. Originally, the bill said nothing more. When it returned to this House, subclause (b) had been added to clause 3. It reads:

> —those submarine areas adjacent to the coast of Canada to a water depth of two hundred meters or beyond that limit to where the depth of the superjacent waters admits of the exploitation of the natural resources of the sea bed and subsoil thereof—

That is nothing more than the commonly accepted definition of continental shelf formulated at the 1958 Geneva Conference. It relates, and I cannot stress this too strongly, solely to the sea bed and minerals which may be found on or beneath it. As a matter of fact, an interesting example has been put forward by international legal experts and it is based on this definition of the Geneva Conference. The example has to do with a continental shelf and its resources. The question that was asked was: Do those rights which extend to the subsoil and soil of the continental shelf extend to the marine life which may be on the shelf?

There was a dispute as to whether one's rights extended to a lobster. Some said that a lobster may not be part of the shelf's resources but a crab is, the argument being that the crab continues living on the sea bed while the lobster flits free, so to speak, of the sea bed and therefore is not necessarily part of the resources of the sea bed.

Hon. members may think I am raising a trivial example. Perhaps it is trivial, but it is very pertinent to the point that the sea bed convention concerned itself with waters lying above the sea bed. The rights alluded to relate purely to mineral exploration and development and, to a very minor extent—so minor that I imagine it is of little concern in the Arctic—to any life which may be permanently on the sea bed itself.

I therefore feel that the submissions of the hon. member for Parry Sound-Muskoka and the hon. member for Peace River may mislead those Canadians who are concerned about our having sovereign control over the Northwest Passage and who think we ought to decide regulations governing the safety of any ships which might pass through it.

My closing remarks will touch on the subject of pollution. In previous remarks I alluded to the passage of the *Manhattan* and other supertankers through the Northwest Passage, and to the possibility that drilling for oil on the continental shelf may expose us to the hazards of oil pollution. The Standing Committee on Indian Affairs and Northern Development recommended very strongly that there be immediate research in Arctic waters to determine what the effect of hydrocarbon pollutants will be in those waters, because we do not know. As a matter of fact, the world is grossly uneducated as to the effect of hydrocarbon pollutants in any waters.

• (8:50 p.m.)

Even more so, we lack knowledge of the way in which these oils, particularly crudes, will behave in waters whose temperature ranges from 29 to 31 degrees Fahrenheit over most of the year. How long will they persist? What will be their action in the waters of the eastern Arctic, for example, in Lancaster Sound which is open for a few months of the year and lightly covered by winter ice for much of the year? It is only about this time of the year that the ice freezes to a depth of 12 feet.

What would be the effect further over in the M'Clure Strait which the *Manhattan* failed to negotiate, where the polar pack comes in with a depth of 20 feet, extremely hard ice built up in many layers? Perhaps while we are discussing this bill I should not mention shipping, since nothing is said in it about the passage of ships. But supposing there should be a spill from a pipeline into these waters: for how long would the oil be trapped beneath the ice? If it moved, where would it move?

I questioned the minister one day as to the committee's report. I must say his answer was of less than statuesque simplicity. He said many departments were involved and he hoped all would be well. I questioned the Minister of Transport (Mr. Jamieson) another day, and he suggested that in connection with the research now being carried out in Chedabucto Bay where the *Arrow* ran aground, Dr. Ian McTaggart Cowan might be able to extend his investigations north into the Arctic—perhaps! If that was not the meaning, it was the intent of his statement.

I was not satisfied with the answer given by either minister. I think it is pertinent to our discussion of this bill to strongly urge that the minister should prevail upon his colleagues, whether upon all five of them or upon whichever combination might be necessary, that they should quickly institute these studies. Knowledge is power. We need power to control pollution in the Arctic. Let us begin by seeking knowledge quickly—this year, this summer. Surely, studies can begin this summer on a subject which is not only of benefit to this country but is of potential benefit to the warm water countries of the world as well as to those nations which have polar seas.

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have spoken before on the National Energy Board Act amendment. I find myself drawn into debate on the bill before us now because it is closely related, as to jurisdiction, with the National Energy Board measure. I am not saying that the National Energy Board has the jurisdiction which might be given to some body, for example a conservation committee, under this legislation. There is some question, of course, as to the exercise of control over pipelines. If a pipeline were to cross an interprovincial or interterritorial boundary, it would come under the jurisdiction of the Energy Board. I find myself wondering how the two bodies would resolve a conflict of jurisdiction or opinion with regard to a pipeline matter.

I was further drawn into the argument by the speech of the hon. member for Coast Chilcotin (Mr. St. Pierre) who has just completed his remarks. He has in my opinion totally misread the import of the remarks of my hon. friend from Parry Sound-Muskoka (Mr. Aiken) and my hon. friend from Peace River (Mr. Baldwin). The act does make its own the wording of the Geneva Convention regarding the continental shelf. We must clearly understand the purpose of the act passed last year. It was an act defined as being for the protection and conservation of oil and gas as applied to the Yukon and the Northwest Territories. Now someone has said: We must tack on provision for the continental shelf wherever it may exist.

I do not think there was any doubt in anyone's mind as to the purpose of the act passed last year. Now it no longer applies. The whole northern purpose of the act is out. Not only is the title changed, but the emphasis has been broadened. Not only is it to control the production of oil and gas on land and on shore, particularly in the Northwest Territories and the Yukon, but now we have added the continental shelf.

It is at this point that my hon. friends, both sound lawyers, if I may respectfully say so, say there has been introduced into the definition of this act an element of doubt. The Parliamentary Secretary, the hon. member for the Northwest Territories (Mr. Orange), and my hon. friends have all made reference to this question. Let us see just what the wording is.

(b) those submarine areas adjacent to the coast of Canada to a water depth of 200 metres or beyond that limit to where the depth of the superjacent waters admits of the exploitation of the natural resources of the seabed and the subsoil thereof.

This takes one out beyond what might normally be the surface territorial limits. It also introduces the possibility that there might be areas in the north where waters are deeper than 200 metres and where the superjacent waters would not admit of the exploitation of the natural resources of the sea bed and subsoil. This is the point. When the entire area under examination has not been explored and the precise depths have not been established, it becomes very dangerous to introduce definitions of this type into the act.

• (9:00 p.m.)

If the definition had had two parts, firstly, the Yukon and Northwest Territories, and secondly, those coastal waters outside or not contained within that sector, you would then have two areas that were clearly mutually exclusive. The area of the Yukon and Northwest Territories is described and understood, but there is then a second part that tends to overrun the limits of the waters and includes a portion that might not be included within the continental shelf.

My colleagues have indicated that they fear that by introducing this definition the government has tended to weaken the arguments that Canada owns all of the north over which it has claimed entire sovereignty. I do not accept the argument put forward by the hon. member for Coast Chilcotin that by putting forward our amendment and discussing the weakness of our case we have perhaps done Canada irreparable harm. Does the hon. member feel that if you have been a serious deficiency in a bill you should not speak up in order to correct the mistake made by the government? Perhaps the hon. member possesses the mentality that thinks that all the brains of the country are held in monopoly by members on the government side, that government supported by the administration is the ultimate authority.

[Mr. Lambert (Edmonton West.]

Perhaps the hon. member would subscribe to the point of view that was expressed by a former Minister of National Health and Welfare when he first proposed a national pension plan for Canada. The minister was heard to say, "This plan has been produced by the best brains in Canada; the others don't know what they are talking about". The fact is that that plan had four different versions and there was no relationship between the first plan and the one that was finally introduced. Therefore, I feel the hon. member is doing us a disservice when he suggests that we are wrong.

Mr. St. Pierre: Mr. Speaker—

Mr. Lambert (Edmonton West): Mr. Speaker, I have the floor.

Mr. St. Pierre: Would the hon. member permit a question?

Mr. Lambert (Edmonton West): Because the hon. member has a question is no reason for interrupting. He can ask the question when I have finished.

Mr. Gibson: You are not the Speaker now.

Mr. Lambert (Edmonton West): It is obvious that the hon. gentleman does not aspire to that position, either.

Mr. Deakon: Get on with it.

Mr. Lambert (Edmonton West): The contributions of the hon. member for High Park (Mr. Deakon) in this House are also noted for their infrequency. Perhaps he also thinks hon. members opposite have a monopoly on brains. As I was saying before the jackdaws crowed, our raising this point should not be taken as an indication that we have weakened Canada's position. It seemed to me that the purport of the hon. member's argument was that we had done Canada a disservice by pointing out this weakness. I do not think we have. I think there is another way to define what the government wants to do, without the introduction of this complication about which I have spoken.

Hon. members have indicated that it would have been better had the federal government been in a position to negotiate with those provinces which have continental shelves and are brought within the ambit of this bill. The bill does not affect Alberta or Saskatchewan, but I think that they, too, have an interest because all citizens of Canada have an inter-

est in the outcome of this whole question of offshore mineral rights and the control thereof.

We are not concerned here only with the question of pollution; the bill goes far beyond pollution. Oil an gas conservation and production go far beyond pollution, as anyone who reads the new definition of a pipeline will see. Admittedly, one would have to use this legislation as the vehicle for controlling and finding safeguards against pollution in our offshore waters caused by exploration for oil, drilling for oil and subsequent production of oil and gas. I would also have thought that in addition to oil and gas we would have to consider controls that would have to be imposed as a result of the production of related materials, such as hydrocarbons and sulphur.

In any event, the view of my colleagues is that this bill should not be passed until an accord has been reached with the provinces on the matter. In effect, the federal government is asserting its authority here, even though it knows that it must make a deal with a number of the provinces. What the ultimate conclusion of the bargain will be, we do not know; the case for Nova Scotia may be quite different from that for British Columbia. Yet in all equity and fairness to Canadians, and to the citizens of the provinces concerned in particular, the settlement must be a uniform one.

Therefore, it seems to me that there is a strong case for deferring this bill until such time as the government has dealt with the matter. I do not see how the government can control pollution arising from offshore accidents to tankers under the terms of an act that deals with the conservation and production of oil and gas. The oil that was in the tanker recently wrecked off Nova Scotia had absolutely nothing to do with oil and gas that was produced on the continental shelf. This was an entirely different source of pollution.

I think there may be confusion in the minds of some hon. members who may think the act could serve as a vehicle for controlling offshore pollution by tankers. I hope this is not the case. However, it does seem to me that until an agreement is reached with the provinces, at least in principle, this bill is premature.

• (9:10 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I see no reason why this bill should be delayed, because it appears to be a step in the right direction. For a long time Canadians took for granted that there must be a dividing boundary somewhere in the far Arctic—my guess would be, probably around the pole somewhere—and that everything on the Russian side of the pole belongs to Russia and everything on the Canadian side belongs to Canada. That was a very simple assumption to make because nobody was going there anyway, so it really did not make much difference.

I would be interested, however, in knowing what the Russians have decided to be their boundary. They are not quite as naïve in respect of the Arctic as we are, and it is quite possible they have made some decision as to the boundary between Canada and the U.S.S.R. which is acceptable to them. I should like our government to indicate what that delineation might be, where the boundary is, and we can go on from there.

There is a general acceptance on the part of Canadians that we own the Arctic archipelago and are entitled to all the land in that area and the ice over it, and probably the transportation lanes through the ice. I was interested in the last day or two to note that the Minister of Transport (Mr. Jamieson) has again been playing that little game that Canadians are so prone to enjoy: he suggests we are the best; we are big, and we are important. In this regard he said that the United States could not protect its ships in the Arctic because they do not have the icebreakers. I am aware that a few years ago the Russians had an icebreaker that could travel many knots an hour breaking ice from six feet to twelve feet in depth. This made our icebreakers look pretty small. I think in fact their icebreaker was atomic-powered. If you remember, the Russians offered to break themselves into the port of Montreal and bring some of their ships in during the winter several years ago, but that offer was declined by Canada.

Recently I read an interesting article that may also have been read by other members. It referred to the fact that a ship, I believe owned by Australia, or perhaps by Sweden, had gone into the Antarctic and had stuck in the ice. It has been there for some length of time with several hundred people on board. The Russians have been trying to get to it, but have been unsuccessful. It was interesting that the United States has now been given permission to go into the icepack in the Antarctic in an attempt to get this ship out.

The United States does not seem to be the least bit worried about their icebreaker being able to work in that kind of ice. This indicates to me that they can probably do as well as we do in the Arctic if they are given the opportunity. The United States may have that opportunity unless we make some decisions fairly soon.

We have been told that we are the ones with the expertise in the Arctic. This makes everybody feel good, but probably it is not true. It certainly is not completely true: perhaps we should be told that as well. We are also told that we are giving consideration to this matter of our sovereignty in the Arctic and that the army is going to establish bases there. A few years ago when the radar chain—the Dew line—was established we were not even interested to the extent of maintaining our sovereignty there. In most cases we turned this operation over to the United States, with probably one Canadian there acting as an observer to maintain our claim to sovereignty in the area.

If we are serious about our development in the Arctic we will have to put people there. I am sympathetic to the feeling that the army is probably the most capable body to establish bases in that area and protect our claim to sovereignty, but it is necessary that we do so right away or we will wake up one morning to find that someone else has encroached on our sovereignty. This will probably be the consortium we have set up to drill for oil in the area.

The whole Arctic is very rich and most of its riches have been assessed. A lot of people from my riding are in the Arctic at all times. There are probably hundreds of people from the riding of Timiskaming in the Arctic in the summer. They are diamond-drilling and operating mining camps in that area. I was surprised to hear a nephew of mine, who worked several years ago in some of these places that we think of in a romantic sense, say that every rock you kick with your foot in the summertime contains heavy deposits of minerals including zinc and other metals. These minerals will eventually be produced there and will be of great importance in the development of the north.

We were not particularly concerned with the problems of the north and our sovereignty in that area until a former Minister of Northern Affairs established a consortium of a oil companies in conjunction with the federal government. This was a step in the right direction: it allowed Canadians to participate directly in the development of the area. It has now resulted in blocking out very large oil and gas reserves for the Canadian public.

There is a problem raised in respect of this bill regarding the division of jurisdiction in the north. We have the federal government in the territories, with provincial governments exercising sovereignty over the land adjacent to the sea where there is great interest in the continental shelf. Other members have mentioned the Law of the Sea, the decision of the Geneva convention in relation to the continental shelf and the complexities of that problem. The problem in the Arctic today is rather like the problem resulting from early inhabitants in this country who went to various parts of Canada and settled: as a result of being there, they claimed ownership of the area. Throughout most areas squatters claims were as good as any because of the application of the law of possession.

The suggestion that possession was nine-tenths of the law in establishing ownership was certainly borne out in many parts of Canada and has been the criteria for decisions as to ownership. Therefore, if we are bold enough to establish our rights to the Arctic archipelago, the seas between the islands and the mainland, and our rights in respect of the continental shelf in that area, we will probably have a good claim. If we do not establish that sovereignty in the north, a claim will be exercised, to some extent at least, by the people who take possession. To a great degree possession will be taken by companies based other than in Canada which have purchased large tracts of the area for exploration. They will be established there and will have some right to the gas and oil if such is found in the territories. These resources will in fact be lost to us.

We have also heard a great deal in the last few weeks about oil pollution. It is very easy to talk about oil pollution and the danger it will create in the Arctic. It scares the pants off anybody who thinks about the danger that exists in the Gulf of Mexico and other areas with warm climates and high water temperatures, such as California, and the dangers that exist in the colder waters off Nova Scotia and British Columbia. We cannot assess the dangers that exist from oil pollution in the north.

Oil pollution is almost as certain to follow as day follows night if we do not exercise extreme control over transportation facilities in the area. In my opinion, if this government was at all responsible it would quit playing around with Humble Oil and tankers in the

Arctic. This attitude will lead, without doubt, to a tragedy there which will set back for many years the development of the area. The government should get on with the business of developing a pipeline from the coast, through the Northwest Territories, to bring oil into central Canada. In my opinion this would probably satisfy the minister's desire to establish a continental energy policy. I suggest, although this is not the inevitable result of establishing a pipeline, that if a pipeline were established from the Mackenzie River delta south to Edmonton even before a commodity is available to be carried in that pipeline, it would have a great deal of influence on the development of other pipelines such as the one contemplated across the Yukon and Alaska to the west coast.

• (9:20 p.m.)

It will have a great effect on whether or not it is considered to be to the advantage of the companies which wish to move this resource to even consider the development of tankers for the Arctic. I think if we have the foresight to instal a pipeline and put in the facilities, there would be many advantages. A small pipeline has been in existence in that vicinity for many years: it runs from Norman Wells through the Canol project. This oil line has proven to be feasible. The temperatures are not prohibitive for transportation by pipeline in that area.

The fact that we now have a very large reserve of natural gas will probably make the transportation of oil easier. I suggest that in Canada we should be thinking of building a pipeline either in consortium with the oil industry or, if necessary, alone. If the scientists and others who have spoken about the dangers from pollution in the Arctic are correct when they indicate that we have no method by which to cope with the pollution problem, it behooves all of us to consider an alternate method such as a pipeline from that area to connect with the existing transportation facilities out of Edmonton and through the oil and gas distribution system that is now in effect. This would mean we would have to run a pipeline across Canada as well. I think it is time consideration were given to this matter.

I have spoken to the officials of some pipeline companies. As recently as a week ago they told me that the cost of such a system was beyond their capability. The companies that are now transporting our oil from west to east into Ontario do not have the facilities to put in a reasonably sized pipeline to handle the requirements of eastern Canada which would make us less dependent on exports to the United States via a southerly route.

If we were to bring the known reserves from the Arctic through the Edmonton distribution point without having a system of disposing of it when it was brought into the normal stream, the situation would be chaotic. So I suggest the government should give consideration to a pipeline which, it seems to me, would eliminate the necessity of the use of surface and submarine tankers as well as the necessity of demanding that the Humble Oil Company take certain precautions in respect of the *Manhattan*. We are aware of the damage the *Manhattan* suffered. We are also aware of the desire of the Minister of Transport that the company instal emergency connections so that the oil may be pumped out of that ship if there should be an accident. I suggest we should not allow that ship to go back into the Arctic for the purpose of transporting oil if danger is contemplated.

I am not opposed to the United States government cooperating with us in examining the feasibility of this type of transportation, but all tankers are not similar to the *Manhattan*. Tankers which meet very minimum standards may be sailing in there. Even when sailing on the high seas, such tankers have been known to break up. One of them broke up on the high seas off the coast of Africa, where limited restrictions are in force. If such ships are taken into the Arctic, the situation could be chaotic. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Minister of Energy, Mines and Resources (Mr. Greene) will have to co-operate in respect of the development of oil in that area. The problem is not so small that there will be any difficulty involved in having two ministers engaged in it.

These two ministers will have an opportunity to do something in respect of the development of Canada which will bring great rewards for many years to come. The hon. member for Vancouver East (Mr. Winch) pointed out the large volume of oil that has already been assessed in that area. In my opinion the size of this resource should point up the necessity for establishing a reasonably sized pipeline from the Mackenzie delta. That area is free of ice for a sufficient number of months that we would not have the problems that exist in the Arctic. Certainly, such a program would eliminate some of the fears we have. Along such a pipeline communities

would develop. Although I am sure the government will not change its policy, I was very interested to hear some of the arguments brought forward the other day by the oil lobby people in respect of the unfairness of the policy requiring the hiring of indigents in the area. They pointed out that this caused some difficulty. They stated that because of this fact they were not meeting the schedules they would like to meet. Tough bananas!

Mr. Greene: They do not have bananas up there.

Mr. Peters: That may be so, but it is too bad for these people. By law they must hire a certain number of the local inhabitants. Once these people are trained, I am sure there will be permanent employment for them if we use the resources we have. I suppose the building of a pipeline in the area would be a very expensive proposition. It would provide a good deal of temporary employment. Also, the operation of a pipeline on the permafrost would involve the employment of a number of employees on a permanent basis. It seems to me that everyone should be interested in the development of an orderly market for oil and gas. I believe it would be much better if the oil and gas could be introduced through a common denominator such as Edmonton or Calgary.

• (9:30 p.m.)

With such a point of connection with the existing facilities which will be bringing in oil from the north, we would be able to utilize and distribute more evenly the potential of the area from which we now receive the major part of our gas and oil. We would be able to extend and equalize the flow from both the Arctic and the local area which have been serving the needs of Canada and the United States for some years and which must have difficulty meeting the demand at peak periods. This difficulty would be partially solved if we added this large resource which in many cases will only be passing through the area.

I imagine that the Americans who are operating the oil discoveries in Prudhoe Bay would be willing to move their oil and gas resources through the same pipeline, through the Canadian distribution system, provided it found its way directly to the United States, with the transportation cost being the only requirement for its Canadians transmission. I think this system could be arranged. I believe we have been very shortsighted in the development of our resources.

We all agree that the danger of oil pollution in the Arctic is almost insurmountable. There is no question in my mind that if tankers in that area were to provide the major source of transportation, disaster would follow disaster. The ice in that area shifts very rapidly. There will be periods when channels which are not supposed to be clear will be clear, and periods when channels which are supposed to be clear will not be clear. A tanker getting stuck in that area will face the difficulties which experts indicate will always be with us. I suggest, therefore, that we send this matter to committee.

I should like the government to consider the establishment of an overland transportation facility to the Arctic. The resources in that area are immense, and because they are immense we will all live to see the day when we establish cities in the Arctic such as the cities of Siberia. These cities will not be established there as the result of someone's dream, but as a result of economic need and feasibility.

Cities covered with glass have been recommended for the Arctic before. They are now in existence in many areas of Russia. It has been interesting—and I have heard much criticism of it—to watch Ab Douglas as he travels across Siberia, to find that Siberia is not the Arctic as we know it and that the development that has taken place in that area is based mainly on the resource industry. I am sure this kind of development will take place in Canada if the government will show initiative by introducing legislation which will make it feasible.

I do not expect the present government to set about drawing up a plan for an orderly development of the resources in the Arctic. However, I do not think it is seeking too much to ask it to consider an alternative transportation method that will meet the needs of the foreseeable future, so far as gas and oil are concerned, by building a pipeline from that area to our main outlets. The government should supply some of the money and the direction that would make this possible.

The Minister of Transport has been very brave in commenting on what he will do and how he will go about it. He says it is not gunboat diplomacy. Perhaps it is not, but I wonder how he is going to enforce legislation. I think the Humble Oil Company has been very generous to Canada. They could proba-

bly buy most of the Arctic if they wished. They have been very generous in saying they will make the 30 or 40 changes to their ship; they will build special compartments to comply with Canadian regulations, and they will do all this for the sake of the development, which may not even take place.

This is very good and the Canadian people are quite pleased that the Minister of Transport has taken this kind of action. But I think they would be just as pleased if action were taken by the Minister of Energy, Mines and Resources who has not had the opportunity since he took on that portfolio to do anything of great importance in his own field. In fact, not much has been done by his department since the Trans-Canada pipeline was inaugurated.

I think he would find some support if he were to suggest at least that a feasibility study be carried out by the Committee, in conjunction with a study of this bill, of the development of an alternative program for the building of a pipeline from the Arctic, which would eliminate many of the problems which I think everyone agrees are evident. I do not really expect miracles and I do not expect that suddenly the government will be seized with a vision. If they were, I think they would be very surprised at the response they would receive from the Canadian public.

I can remember when another vision of the north caught on very well. Most people in Canada are sympathetic to the development that is going on there. The fact that northern development is discussed in the House as much as wheat is an indication that there is an interest in our northern resources and a willingness on the part of the Canadian public to participate in their development.

We are again allowing the Americans to provide an alternative that will not cost us anything and that will dispose of one of our products. But we have not really done much for ourselves. I think the minister would find a goal for himself if he were responsible to the Canadian public for the handling of the vast resources which we have in the Arctic and were to provide a means of transportation that would be free of the perils that most people believe endanger the present system.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I shall take about five minutes to express my interest in the intent of this bill. At present, and for a number of years, the search for oil and gas on the continental shelf of the east coast of Canada has been rather academic. Companies interested in this matter procure a licence from the appropriate provincial governments and one from the federal government and proceed to do exploratory drilling.

Since no significant discovery of oil or gas has been made in that area up to the present, it would seem people are content with what is happening. But I submit that there is a need for a great deal of work in this area by the government of Canada. If in the near future there were important discoveries of oil or gas on the continental shelf on the eastern side of Canada, there would be tremendous complications among the different economic interests following the discovery. It is late to do so now, but it would be wise to resolve these jurisdictional responsibilities before gas and oil are discovered in commercial quantities in the area.

• (9:40 p.m.)

It is true the five Atlantic provinces have not decided among themselves where the lines of jurisdiction should lie as between the various provinces, on the assumption that they have the jurisdiction over mineral and oil and gas rights on the continental shelf. But the federal government does not admit their claim, and you have a situation where there is a dispute as to jurisdiction between the federal government on the one hand and the five eastern provinces on the other.

Then you have a potential difficulty between Canada on the one hand and the islands of St. Pierre and Miquelon on the other. You have the question of where the division line of jurisdiction lies on the continental shelf between Canada and the United States in the George's Bank area. None of these questions have yet been resolved. If that were not enough, this bill introduces another question of jurisdiction as between the Minister of Indian Affairs and Northern Development (Mr. Chrétien) on the one hand and the Minister of Energy, Mines and Resources (Mr. Greene) on the other. I can visualize situations where it would not be clear which minister had jurisdiction. I am not sure, for example, what the position of Hudson Bay is, and I would not be sure what the position would be in Hudson Strait—for example, which minister is responsible.

If oil or gas is discovered in commercial quantities in the near future, it will be of tremendous potential importance. It should be of tremendous economic benefit to an area of Canada that has not shared fairly in the

development of our country over the last few decades, and surely the development should be in a manner which would be of benefit to those provinces. Secondly, it would be adjacent to a part of North America which is deficient in gas and oil at the present time. And I might mention, Mr. Speaker, that the geological indications of the continental shelf off eastern Canada look quite promising for gas and oil. If they are found there in commercial quantities, there is an immediate tremendous market and therefore tremendous pressure for immediate development in the area because, as hon. members know, all of eastern Canada is supplied with oil from overseas, chiefly from South America. The same is true of the eastern seaboard of the United States.

So it is my contention, Mr. Speaker, that the discovery of oil in that area would be of tremendous importance immediately and there would be very immediate pressure to develop it at once. Therefore, it is vitally important that the government of Canada resolve these questions of jurisdiction as rapidly as possible so there will be a clear delineation of responsibility before discoveries are made.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I made my major remarks in regard to this debate prior to the introduction of the amendment, but in view of some of the comments made by the hon. member for Coast Chilcotin (Mr. St. Pierre) I want to speak very briefly about one aspect of the bill. I do not favour the Conservative amendment. I think this is a good bill, a good amendment to Bill S-29.

I feel that the hon. member for Coast Chilcotin is in error when he says this bill has no bearing on Arctic sovereignty. I would suggest that any time a policeman of any kind functions in an area, he is exercising authority, or sovereignty if you will, over that area. As I see this bill exercising some authority by Canadian law over the waters off Canada's Coasts and along Canada's islands, I do not see how he could deny that this is exercising our sovereignty in that area. I would like to emphasize this particular aspect of the bill.

I suggest we should proclaim Bill S-29 right away, get on with the job, do it quickly, and get out there and exercise some of the authority we have as a sovereign power over the waters off our coast. I think we should pass Bill S-5, which I suggest is a good bill in the main, and that we start also to use this measure to proclaim our authority, or in effect use our authority in these waters, because much of our law is set by precedent and by action of this kind. I say to the hon. member for Coast Chilcotin: Let us get on with the job, and I would urge him to urge the government to become active in this area.

Mr. St. Pierre: Can the hon. member point out any part of this bill which gives the government authority over waters as distinct from land beneath the waters? It is an important distinction, I suggest.

Mr. Thomson: As I understand the purpose of this bill, it is dealing with pollution. If the hon. member thinks the land under the waters can be polluted by an oil well, and the waters on top of that land not be polluted, I cannot follow his reasoning. I think that since we are going to use pipelines in these waters and have regulations covering drilling in them, automatically that affects the waters and not just the land under the waters. I cannot follow that reasoning whatever.

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

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, it is maintained by hon. members directly across the House that the bill before us, S-5, in some way diminishes Canada's claim to sovereignty over the waters adjacent to our sea coast, particularly those in the Arctic. The hon. member for Peace River (Mr. Baldwin) in particular stated he was not opposed to Bill S-5 for technical reasons, but because "it amounts to a serious diminution of Canadian sovereignty over the waters of the Arctic." This is simply not so. As a matter of fact, obstructing the passage of this bill will in itself have the effect of diminishing Canadian offshore claims. However, these are not claims of sovereignty over waters. These are claims of sovereign rights to explore for, develop and exploit the natural resources of the sea bed and subsoil of Canada's continental margin.

Perhaps I might spend a few minutes for the purpose of clearly differentiating between first, Canada's claims to sovereignty over waters lying off our coasts and, second, Canada's sovereign rights to exploit the natural resources of our continental margin. Canada lays claim to sovereignty over waters off our sea coasts where they are internal waters or historic waters forming an integral part of Canada and where they fall within

the limits of our territorial sea. Under international law, Canada's internal waters are those on the landward side of the base lines from which Canada's territorial sea is measured, and Canada's territorial sea comprises a marginal three-mile wide belt measured from the coastline, or from straight base lines joining headlands and offshore islands established pursuant to the Territorial Sea and Fishing Zones Act of 1964.

The promulgation of such straight base lines involves the seaward extension of Canada's exclusive competence beyond its present limits vis-à-vis other countries. Since this exclusive competence includes proprietary as well as jurisdictional rights, there is no question as to Canada's ownership of the mineral resources of the sea bed and subsoil underlying these waters.

• (9:50 p.m.)

In Bill S-5, we are not dealing with problems of sovereignty over waters. Bill S-5 is concerned with mineral resources, in particular the oil and gas resources, of the sea bed and subsoil of Canada's continental margin. Under the terms of the Geneva Convention on the Continental Shelf of 1958, Canada can claim the natural resources of the sea bed and subsoil for offshore areas extending off the Atlantic, Pacific, and Arctic coasts far beyond the limits of the territorial sea. The shelf convention is the instrument of international law that confirms the exclusive right of a sovereign state to explore for and exploit these natural resources off its seacoasts wherever it can manage to do so. Thus, Canada asserts exclusive rights, sovereign rights as the shelf convention calls them, over the natural resources of her continental margin extending far beyond the possible limits of Canadian sovereignty over the waters adjacent to our coasts.

I should mention here that Canada is probably the most aggressive nation in the world in asserting her rights to offshore mineral resources. We have issued oil and gas permits covering more than half the total area of Canada's continental margin. Hon. members may recall that our continental margin comprises a total area of about 1.5 million square miles, almost 40 per cent as large as the entire land area of Canada. Thus, the total area covered by oil and gas permits issued to date off our seacoasts is the equivalent of 20 to 25 per cent of Canada's total land area. This is about twice as large as the maximum area that might be considered favourable for petroleum exploration in the four western provinces combined.

To illustrate Canada's diligence in asserting our rights in the offshore, I would like to point out that federal oil and gas permits have been issued off the east coast extending in an unbroken stretch of some 2,000 miles from the Gulf of Maine region through the Grand Banks and thence to Hudson Strait. These permits extend seaward as far as 425 miles east from Newfoundland. We have issued permits off the west coast over a stretch of 500 miles from the Strait of Juan de Fuca region to the Dixon Entrance region, and we have issued permits covering the bulk of Hudson Bay. In the Arctic region, which seems to be the main matter of concern to hon. members directly opposite, approximately 150 million acres of oil and gas permits have been issued in the Arctic offshore. These are situated in the Beaufort Sea region, where they extend as far seaward as 140 miles off the mainland coast, and in the Arctic islands region where they cover most of the channels between the various islands.

One can hardly say that the federal government has not been aggressive in this field. In fact, there has been some tendency of late by various parties, including some members of the United Nations, to find fault with us on this account. If hon. members will refer to Bill S-5, they will note that clause 3(b) states that the act applies in respect of oil and gas in—

> those submarine areas adjacent to the cost of Canada to a water depth of 200 metres or beyond that limit to where the depth of the superjacent waters admits of the exploitation of the natural resources of the seabed and subsoil thereof.

There is no stipulation here, as has been stated by hon. members opposite, that there is a 200-metre water depth limitation. The wording of clause 3(b) is taken almost verbatim from the Geneva Convention on the Continental Shelf, which clearly states that the exploitable depth is the governing factor. Technology is continually moving this flexible "exploitable depth" boundary farther seaward. Each of the two semi-submersible drilling units currently being built in Halifax will have a drilling capability of 25,000 feet and the ability to operate in water depths well in excess of 200 metres, and technology is fast evolving methods of completing and producing oil wells commercially in water depths of this magnitude.

Here I would point out that the federal government has issued permits in water

depths ranging to 2,200 metres—about 7,000 feet—in the Gulf of Maine region; to 3,700 metres—about 12,000 feet—in the Scotian shelf region; to 2,800 metres—about 9,000 feet—in the Grand Banks region; to 2,100 metres about 6,800 feet—in the Labrador sea region; to 900 metres—about 3,000 feet—in the Arctic islands region; and to 2,600 metres—about 8,500 feet—in the Beaufort Sea region.

I believe it is worth while to point out here that there has been a tendency by various nations to minimize the effect of the exploitable depth clause in the Geneva Convention on the Continental Shelf, and thereby decrease the size of continental shelf areas falling under national jurisdiction. Canada believes it is essential that the geologic-geographic realities continue to be the governing factors in determining the limits of our exclusive rights to offshore mineral resources, and to this end we have been advancing the continental margin concept through our representation in the United Nations.

The continental margin comprises the continental shelf and the continental slope as complementary components. Hon. members are probably already aware that the continental shelf is that submerged portion of a continent that dips gently seaward, on the average less than 1 degree, to a point where it merges into the continental slope through an increase in gradient to, on the average, about 3½ degrees. The continental slope then continues downward into the ocean depths.

In the case of Canada, the physical limit of the shelf portion of our continental margin lies seaward of the 200-metre isobath in large part; many miles seaward in some localities. There are in addition many irregularities in the shelf areas involving water depths greater than 200 metres. Some of these are in the form of closed depressions, others are in the form of channels such as those between the Arctic islands. These are second-order magnitude physiographic features of the continental margin just as are the hills and valleys of Canada's land areas. As I have already indicated, we have issued oil and gas permits covering these regions and thus have asserted Canada's rights to the mineral resources of the sea bed and subsoil.

Bill S-5 is designed to provide comprehensive statutory authority to govern oil and gas activities in the regions lying offshore from Canada. Upon enactment, therefore, it will have the effect of confirming Canada's assertion of rights to offshore mineral resources in areas extending far beyond either our territorial limits or the 200-metre water depth. Obstruction of Bill S-5 can only serve to weaken Canada's claims to the natural resources in these areas.

Some hon. members opposite have maintained that Bill S-5 would have to be amended further upon passage of legislation to confirm any transfers of administration of offshore mineral resources by the federal government to coastal provincial governments. Mr. Speaker, the hon. member for Brandon-Souris (Mr. Dinsdale) has stated that the Oil and Gas Production and Conservation Act will have to be amended further—

The Acting Speaker (Mr. Béchard): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

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

REGIONAL ECONOMIC EXPANSION—REQUEST FOR INCLUSION OF ALL SASKATCHEWAN AS DESIGNATED AREA

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on February 5 I put the following question to the Minister of Regional Economic Expansion (Mr. Marchand):

> In view of the fact that Saskatchewan is facing a deepening economic crisis, is the minister now prepared to consider the inclusion of the entire province under the Regional Development Incentives Act?

I asked this question for a number of reasons because the province of Saskatchewan is, in fact, in a very bad economic situation at the present time. It is a deepening financial crisis, and because of that my colleagues and I from Saskatchewan believe that the entire province should qualify for any additional help and aid that may be coming under the new Regional Development Incentives Program.

• (10:00 p.m.)

A short time ago—say three or four years ago—Saskatchewan in many ways was a "have" province. Now, because of our agricultural crisis, Saskatchewan is not a "have" province. Saskatchewan and its people are suffering, in one way or another, the consequences of the province's economic crisis. An

economic recession is well advanced in Saskatchewan. I shall try in the few minutes I am allowed to speak this evening to outline why I think all that province ought to be included as a special, designated area under the program.

As I said before, the province's crisis affects everybody living in the province, but first and foremost it affects the farmers. Farm income has dropped drastically and many farmers are being forced off the land. As a matter of fact, the way of life of many people is being changed drastically. Statistics show that in the first half of 1969, for example farm income was down by 40 per cent as compared with 1968. The Minister without Portfolio from Saskatoon-Humboldt (Mr. Lang) has also told us that there will be no final wheat payment this year, a factor which will add to the problems confronting Saskatchewan farmers.

Those who do not work on farms are also feeling the effect of the economic recession. The average weekly wage has dropped relatively. In 1963, for example, the average weekly wage in Saskatchewan was below the national average only by $3.95. In the first six months of 1969 the average weekly wage had fallen to $9.85 below the national average. As you can see, the average weekly wage is falling further below the national average weekly wage.

Widespread unemployment is another consequence of Saskatchewan's economic crisis. Unemployment now is higher than it has been for a number of years. Retail sales across the province are down; the first 11 months of 1969 saw a drop in retail sales of over $100 million. These figures do not tell the entire story because the businessmen and people of small communities are much harder hit than the people living in the larger centres.

The farm machinery industry is perhaps the hardest hit industry. Many farm machinery dealers have already pulled out of Saskatchewan and others are contemplating this action. Capital investment in the province is down drastically, while in Manitoba and Alberta capital investment has increased as compared with last year. Also, the population of Saskatchewan has declined. As a matter of fact, the only thing we are exporting these days is people; we are certainly not exporting wheat. Between April and October, 1969, 10,500 people left Saskatchewan at an average rate of 1,800 per month.

Hon. members know how well this fact alone indicates the severity of the problem we face. The very future of Saskatchewan is at stake. Including the province in the new plan would be of help to the people of Saskatchewan. Rumour has it, Mr. Speaker, that both Saskatoon and Regina may be included very shortly in the regional development incentive plan. Of course, we are in favour of this, but I hope the government will consider including the whole province in the plan.

In the fairly densely populated area I represent, many people living in towns and villages cannot find work. Many farmers who seek employment off the farm to supplement their income also cannot find work. Whatever form the regional development incentive plan may take, it ought not to take the form of mere paper tokenism. A plan on paper is not enough, because we must bring industry to the province.

The Department of Regional Economic Expansion could utilize this plan to bring about national unity in Canada. National unity is not simply a matter of bilingualism and biculturalism but involves matters touching on the social and economic life of the people of this country as well. All regions of Canada must be equal partners within confederation. The government could do much toward solving the province's problems by including the entire province under the regional development incentive program. I ask the government, again, to give serious consideration to including the entire province. There is a grave emergency there and the province will warrant special attention until such time as it extricates itself from the economic recession. Unless the province receives that attention it may not extricate itself from the recession for many years, in which case the income base of the people will be destroyed and their way of life changed.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, we are all agreed in this House as to the seriousness of the economic situation in Saskatchewan. I know it is the feeling of my hon. friends on this side that the resources of the government must be brought to bear to alleviate the unique financial and other strains thrust in little over a year on Canadians in the prairie provinces, and on none more so than in Saskatchewan.

Saskatchewan has suffered a relatively sudden and drastic reversal in economic well-being. I can assure the hon. member and other members of the House that for its part the Department of Regional Economic Expan-

sion intends to ensure in short order that its resources and programs under its two pieces of legislation contribute in the most effective way possible to improving the economic situation in that province.

The task is to assist not only in meeting the short-term urgent situation which has developed over the past two years but to carry out a longer term industrialization and diversification of the province's economy. My minister has informed the House on a number of recent occasions that he hopes before the end of this month to complete agreements with the provinces to designate special areas jointly selected by the federal government and the provincial governments in which joint economic development plans will operate—plans in which the department's resources play a very significant role, a more significant role than in the designated regions.

I can say that the question of the role of the department in Saskatchewan has been the subject of close examination in the past few months and that discussions with the province of Saskatchewan have sought to find the most effective role for the department in light of the economic situation there and in view of the potential in Saskatchewan for economic expansion and diversification.

This federal role has to be meshed with the province's own economic development programs. We are fully aware of the urgency of the Saskatchewan situation. It is particularly urgent that we should set our course there at the earliest possible date, because programs of industrialization take some time to gather momentum. I believe a decision as to that course will be made in the very near future.

TRANSPORT—CHARLOTTETOWN—PROPOSED TRANSFER OF CERTAIN MARINE AGENCY FUNCTIONS AND PERSONNEL

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, for some time I have been concerned about the diminution of the staff of the Charlottetown marine agency of the Department of Transport. My question of February 24, on which this debate is based, was not my first inquiry on the subject.

There has been a regrettable flurry of rumours and a war of nerves in connection with the fate and future of the Charlottetown marine agency. First there were the stories that one of the ships of the agency was to be transferred out of Charlottetown. After much anxiety and speculation we were given the word that this was not to take place, at least not at the present time.

[Mr. O'Connell.]

Now, as a result of the exploits and investigations of yet another task force, it is alleged to be the accounting and engineering division which is to be transferred to another centre. Indeed, a former employee of the Department of Transport in Charlettetown has publicly declared that the move will take place and that June 1 is D-day—diminution day or debarkation day, whatever one wishes to call it. Certainly for the employees it will be debarkation from Prince Edward Island, where they have been performing their duties well and in many cases for a long time. The man who made this statement subsequently resigned from the department.

• (10:10 p.m.)

One of the developments which brought me the greatest satisfaction when I was a government-supporting MP was the building of a new wharf and agency headquarters at Charlottetown. The project took a long time and was not completed until the government I supported had left office. But the splendid headquarters, which I am told are modern, well equipped and practically new, capable of allowing personnel to discharge their duties efficiently and well, stand there—and it is shocking, surprising and totally inexplicable why the personnel therein should be diminished. Why any division of the department should be moved has not yet been demonstrated or declared.

Charlottetown has long been the site of a marine agency, and it is the logical location for a marine agency. But in recent years there have been gradual decreases in its role and function. For instance, purchases which used to be made in Charlottetown on a very satisfactory basis are now being made elsewhere.

We grow weary of these cutbacks in the operation of the dominion government in our province. The closing of the Queen Charlotte naval base was one; the valuable enamel and heating project at the Charlottetown airport brought much needed employment to our city. It had a helpful effect upon our economy, but it too went the way of the naval base. From time to time other aspects of the federal government program are being curtailed or withdrawn. It has happened in the Post Office; and I mean at headquarters, not just the closing of small offices.

The fur research station and biological research have been cut back, and there have also been cutbacks in the maintenance of fishing harbours. All of these mark a decline in the operations of the federal government,

producing a shrinkage of employment and loss of economic strength. We have only to look at the estimates for the coming year to see how low a priority Prince Edward Island has with the government.

I ask that this sort of thing end. Strange, indeed, it is to plan a special regional expansion program—for which, incidentally, our province pays two-thirds of the cost—and at the same time to allow other federal government departments to contribute to economic decline and to unemployment which the plan of the regional expansion department is designed to ameliorate and overcome. It seems to me that a recognition of the ills of continuing disparity among the regions of Canada should not be confined to one department of government but should be known and acted upon by all.

Therefore, let the spokesman for the minister give his assurance on this item at least. Let us know that there will not be a depletion of the minister's staff at Charlottetown. Let the minister also use his influence to curtail the cutbacks, of which Prince Edward Island has already undergone more than its share. To use a recently resurrected expression currently getting some coverage in the United States, "More benign neglect we can do without". But even benign neglect is less hurtful than this kind of attention and disruption.

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in reply to the question raised by the hon. member for Hillsborough (Mr. Macquarrie) may I say that there was an article in the newspaper recently that did speculate with rumours. I know there is never smoke without fire. Nevertheless, I am afraid I cannot tell the hon. member that something will be done or will not be done, because no decision has yet been taken by the department.

Some quite extensive changes in the Department of Transport have been announced. Week after week and month after month the department is looking to see what it can do to give better service to the public. When changes are made, it is sometimes necessary to move employees around or to change them; this is unavoidable. The department is not trying to do something that is going to hurt the economy of the country or to jeopardize giving good service to the public. But still it is not a fact yet because, as I have said, no decision has been taken.

The deputy minister wrote the hon. member on January 26 last in reference to this matter. There is one sentence in this letter which I think covers everything. It is as follows:

> We are constantly reviewing our organization in an effort to improve our efficiency and our service to the public.

I think every member of the House of Commons should work with that in mind, that every department of the Canadian government should do everything in order to give better service to the public. In a letter written in reply to the Premier of Prince Edward Island the Minister of Transport assured the Premier of that province by saying:

> Several years ago, in an effort to improve our efficiency and our service to the public, we established a maritime regional administration. We are now studying the possibility of providing certain common services more economically. I can assure you however that. contrary to press reports, no decisions have been taken, nor will there be until they are reviewed carefully with myself and officials of my department.

Still there is no decision taken, and I do not see that a decision will be taken shortly in the sense that the hon. member for Hillsborough mentioned a while ago. He has asked that the minister give him and the people of his riding the assurance that there will not be any change. I cannot give that assurance to the hon. member, but I can tell him that the Department of Transport is trying to do the best to give the people of P.E.I. good service.

TRADE—SALE OF ATOMIC ENERGY PLANT TO ROUMANIA—CONTINGENT CONDITIONS

Mr. Rod Thomson (Battleford-Kindersley): The other day when I raised a question about the sale of an atomic energy plant to Roumania, Mr. Speaker suggested that there was not urgency in respect of this program, or at least not as he saw it. I should like to read a small excerpt from the Saskatoon *Star-Phoenix* of March 7 which says that Roumanian officials are presently in Canada engaged in talks with Canadian officials regarding this sale. This article suggests that West Germany is also interested in the sale, so in fact we have a competitor. The article states:

> The talks involve a $100,000,000 generating station and fuel fabricating plant and, possibly, a $50,000,000 plant to produce heavy water—

So you can see this is an important item to this sector of Canada's industrial economy. If we were successful in building a plant for this country, we might also sell others. I suggest this is quite an urgent matter. I come from a section of the country about which

agricultural and trade officials were not concerned regarding the sale of wheat until we woke up one morning and found somebody else had the markets. This is a very important item and the government should consider it very carefully.

There is one item in respect of which I should specifically like to compliment and congratulate those responsible. At the Douglas Point atomic energy plant they were successful in performing an on-power refuelling. This was only partial, but it was something new and it was successful. If the Minister of Energy, Mines and Resources (Mr. Greene) had anything to do with this operation, I extend my congratulations to him as well. If I were purchasing an atomic energy plant from Canada or any other country, I would be concerned about the conditions of sale. I would want to know whether the plant would work. I asked specifically in my question the other day about these conditions of sale.

The next item involves heavy water. After considering Canada's experience in this respect, I have some doubt. We have built, or are in the process of building a heavy water plant in Nova Scotia. The federal government has washed its hands of it but Atomic Energy of Canada signed a contract. At the very least, I suggest this was a very sloppy business approach. There were no penalties involved in the contract in respect of the delivery of heavy water. If they did not approve the new method of production, I would ask why Atomic Energy signed the contract. The story has been the same in Nova Scotia. I do not believe Atomic Energy of Canada or the government has anything to brag about in this regard. The sale of atomic energy plants abroad is involved, and a doubt is cast on the ability of Canadian industry generally.

• (10:20 p.m.)

I suggest that the federal government should get on the ball and do something about the problem. I believe if I were inquiring in Canada about a plant of this nature, I would be concerned about the technical know-how of the people involved. The federal government has decided not to proceed with the intense neutron generator which would have supplied us with further knowledge in this particular field. If I were purchasing a plant and was told I would probably be able to upgrade it, and that instead of using uranium I might be able to have a fast-breeder reactor which would use plutonium, or that I would be able to sell plutonium to some other country by purchasing a plant from Canada, I would be very interested.

At the present time I would be very uneasy as a buyer. Our research and development percentagewise in respect of our gross national product is not in any way comparable to that of Great Britain or the United States. I suggest we need to invest our money in this area. If financing is a condition of sale, I suggest that perhaps we should subsidize the financing if this is required. I have one last comment to make in respect of the standardization of equipment. As I understand it, we produce an atomic plant of one kind and other types are produced in other parts of the world. I hope ours is a good one. If we are not successful in our sales abroad in respect of our particular style of atomic energy plant, I believe it is high time we took a real look at the atomic energy situation in Canada.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member has ranged far and wide from the question he asked the other day, but certainly some of his contributions are useful. I was particularly glad to see his support for our atomic energy program and his encouragement in respect of our spending more money in this area. If he would be my advocate for the Treasury Board in this area, I think that would be extremely useful. I remind him, however, of the fact that we had to cut back on some of our basic research in areas which might ultimately lead to technology in respect of fast-breeding reactors. Part of the problem is being a small country. We can only afford a certain amount of science. We do not have an open end. Our science spending is not tied to defence spending as it is in the United States.

I suggest that as much as possible we keep in the areas in which we have expertise. I believe that in the field of atomic reactors we have great expertise. We have a scientific team which is second to none. Certainly in the future we can be in the vanguard in the world and possibly achieve a considerable self-sufficiency in the energy field if we have confidence in and support this team which has done so well in the past.

The hon. member specifically asked the other day whether or not our on-power refuelling of the Douglas Point reactor was a condition contingent upon any sale of an atomic energy plant to Roumania. On-power refuelling is one of the real merits of the Canadian Candu system, and our scientists should be given great credit for achieving

this. The plants being offered for sale to Roumania and elsewhere do in fact contain this outstanding feature, but it was not a condition of the sale to Roumania.

I think the hon. member has done a service in bringing this matter to the forefront today. Because we have had some problem in respect of on-power refuelling, some people have lost confidence in the reactor program and have some doubt as to whether we should continue. Speaking for the government, may I say I can think of nothing that would do more harm to our country than for us to lose faith in this reactor at the present time, when so much has been put into it and when we have achieved a place in science second to none in the world.

We must bear in mind that other countries have had at least as many problems as we have had in this very new science of atomic energy and reactors. I sincerely hope and have confidence that the Canadian people will not lose faith in this regard and that this House and its members will not be tempted to not follow through with this program. I think it would definitely put us back if we did not follow through with this excellent program in respect of our Canadian reactor, which I think will be of great benefit to Canadian people in the years to come.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, March 10, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 60, subsection 2, I would request that an Order of the Day be designated for the consideration of a ways and means motion so the Minister of Finance may make his budget statement on Thursday night.

FINANCE

TABLING OF TARIFF BOARD REPORT ON WOVEN FABRICS OF MAN-MADE FIBRES

Hon. Herb Gray (Minister without Portfolio): Mr. Speaker, I have tabled today copies in the two official languages of the report by the Tariff Board on Reference No. 144, together with a transcript of the evidence presented to the board at its public hearings. The report covers woven fabrics of man-made fibres used in the manufacture of garments.

I would like to assure the House that the Tariff Board's recommendations will be carefully considered by the government. Therefore, interested parties who wish to comment on this report should bring their comments to the attention of the Department of Finance as soon as possible.

OIL

U.S. IMPORT RESTRICTIONS—REQUEST (MR. LAMBERT, EDMONTON WEST) FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the absence of a statement on motions by the Minister of Industry, Trade and Commerce or the Minister of Energy, Mines and Resources in respect of the marketing of Canadian oil in the United States, arising out of the statement made at noon today by the President of the United States with regard to restrictions on the marketing of Canadian oil in the United States, effective March 1, pursuant to Standing Order 43 I ask for unanimous approval to move a motion to refer this whole question to the Standing Committee on National Resources and Public Works. Surely this motion is worthy of unanimous consent of the House at this time in that at noon on this very day a delegation of members of this House and the other place left for the United States prepared to discuss this very problem with their legislative counterparts in the United States.

I am waiting for the formal motion I dictated after I heard of the President's statement. I was unable to give you notice, Mr. Speaker, because the statement by the President of the United States was made during the noon hour and I was apprised only a few moments ago of the details. I was able to dictate the motion only a few moments ago, but I must present the motion to the House and I trust the House and Your Lordship will bear with me—

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): —and Your Honour will bear with me while the mechanics are being accomplished.

Representatives from western Canada and, in fact, representatives from all parts of Canada are vitally interested in this subject inasmuch as it affects the balance of payments and the level of employment in Canada as well as many other related subjects. With leave of the House and Your Honour I could give the import of my motion while waiting for, shall we say, the housekeeping and administrative difficulties to be cleared up.

• (2:10 p.m.)

The motion would be to the effect that the whole question of the implications of the statement by the President of the United States with regard to the restrictions on oil imports into the United States from Canada as announced today be referred to the Committee on National Resources and Public

Works for examination as to its effects on balance of payments, government revenue—both federal and provincial—and the level of employment in Canada, as well as all related questions thereto. I would ask leave of the House for presentation of that motion without the customary notice.

Mr. Speaker: I notice that the President of the Privy Council is seeking the floor at the present time. I am not sure whether it would be proper to allow the minister to participate in the discussion at this point.

We have before us a proposed motion of which the hon. member for Edmonton West is now giving notice under the terms of Standing Order 43. This motion cannot be put without the unanimous agreement of the House and under the terms of the Standing Order there cannot be discussion of the matter. Perhaps I could put the question and thereafter ask if anyone wishes to seek the floor on a point of order. It is a little difficult to do otherwise. Is there unanimous agreement.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous agreement to the proposed motion of the hon. member for Edmonton West so it cannot be put now.

Mr. Macdonald (Rosedale): On a point of order, Mr. Speaker, out of courtesy to the hon. member I might mention that since the President's statement was made only a few minutes ago and the government has not had time to consider all its implications, we feel it would be premature to put the motion today. This would not preclude a statement being made on motions tomorrow or on another occasion when the full implications of the President's statement can be assessed.

U.S. IMPORT RESTRICTIONS—REQUEST (MR. DOUGLAS, NANAIMO-COWICHAN-THE ISLANDS) FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, if I may I would put the same proposition from an angle, about which the House may feel differently. Pursuant to Standing Order 43 I ask for the unanimous consent of the House to consider a motion. Under Standing Order 43 I am allowed to make some brief comments and I assure Your Honour they will be extremely brief.

[Mr. Lambert (Edmonton West).]

The President of the United States, Mr. Nixon, has announced this morning a substantial cutback of Canadian oil exports to the United States east of the Rocky Mountains from the present level of 620,000 barrels a day to 395,000 barrels a day.

Whereas this unilateral action by the United States government in sharply curtailing Canadian oil exports will have a most serious effect on the Canadian economy I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House discuss today the announcement by the United States government on Canadian oil exports and the response of the Canadian government to this arbitrary and unilateral action taken by the government of the United States.

Mr. Speaker: I must say I have some reservations about the possibility of two motions on this subject under Standing Order 43 when one has been put to the House and a decision taken that there should not be a discussion. The hon. member may well argue, and I assume would argue, that there is a distinction between the motion he is proposing and the one first proposed. But I still have some general reservations about the advisability, from the procedural standpoint, of having two consecutive motions on the same subject. This is said in a general way.

The hon. member for Nanaimo-Cowichan-The Islands has indicated what his motion is. Hon. members have heard it. Under the terms of Standing Order 43 unanimous consent is required. I will ask whether such consent is forthcoming.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As hon. members have heard, there is no unanimity and the motion cannot be put now.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order and perhaps for clarification. In light of the statement by the Government House Leader I take it that the decision of the government today is without prejudice to my motion if it were put tomorrow.

Mr. Macdonald (Rosedale): Well, the hon. member will be no more prejudiced in putting it tomorrow than he was in putting it today. Let us put it that way.

Some hon. Members: Oh, oh!

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

ARMING OF U.S. IMMIGRATION AND CUSTOMS OFFICERS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, my question is directed to the Acting Prime Minister. It relates to the fact that for more than a century Canada and the United States have set an example to the rest of the world by maintaining one of the few unarmed frontiers in the world. Does the government intend to protest to the United States government regarding its decision to allow United States immigration and customs officers to carry guns in the exercise of their duty, thus symbolically negating the undefended border concept?

Hon. Mitchell Sharp (Acting Prime Minister): I do not really think that this kind of action would negate the existence of the undefended border between Canada and the United States because I am quite sure that the United States immigration and customs officers will not carry guns in order to prevent an invasion of that country by Canada.

An hon. Member: Would it be to keep out oil?

Mr. Sharp: I regret that there should be weapons in the hands of officers of the government, but this is a decision that the United States must make not only with regard to its relations with Canada but in relation to the security of its own public servants.

Mr. MacLean: Has the government of the United States given any advance information or explanation to the Canadian government as to why they deem this necessary, and is it the intention of the Canadian government to discuss the matter with the U.S. government in the hope that the former situation may be restored?

Mr. Sharp: I was not aware until I read the reports or listened to the radio this morning of the action of the U.S. government. The very fact that they did not discuss it with us indicates, I think, that they did not think it related in particular to relations between Canada and the United States.

Some hon. Members: Oh, oh!

Mr. Sharp: But now that we are aware of the fact, I will be discussing it with the Secretary of State because, as I said before, I am quite sure that this action is not directed against Canada.

Mr. MacLean: I have a further supplementary question, Mr. Speaker. In view of what the Acting Prime Minister has just said, is it the intention of the Canadian government, since any menace that might face the U.S. officials would, I think, be even greater or at least as great in the case of Canadian officers, to examine the situation with regard to the possible arming of Canadian customs and immigration officers?

Mr. Sharp: No, Mr. Speaker, I know of no such intention.

Right Hon. J. G. Diefenbaker (Prince Albert): Is it not the intention of the minister to protest against this most unusual step, particularly in light of the fact that no consultation took place? Do we not have an ambassador in Washington?

Mr. Sharp: The answer to the last part of the question is, yes, and he carries out his duties very well indeed.

Mr. Diefenbaker: Is this the government's idea of responsibility?

Mr. Sharp: I would like to repeat what I said, I think the members of the opposition are looking for a fight with the Americans. That seems to be the whole purpose—

Some hon. Members: Oh, oh!

Mr. Sharp: —and I do not intend to succumb to the temptation.

Mr. Diefenbaker: Does the Secretary of State for External Affairs make statements like that seriously? Surely he has a little more common sense than that.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Hon. members are looking for a fight between themselves.

OIL

U.S. IMPORT RESTRICTIONS—ACTION BY CANADIAN GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I address a question to the Minister of Energy, Mines and Resources regarding the announcement this morning by the President of the United States that Canadian exports into the American market are to be curtailed some 30 per cent.

In view of the fact that there have been warnings of this for some months, may I ask the minister what response the Canadian government proposes to make and what action, retaliatory or otherwise, the Canadian government has in mind in view of this very serious step taken by the government of the United States?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, we have been in consultation with the Americans in this regard for some time and we believed that the market should be kept open, as it was. The Americans took this action as they have every right to do under their own policy. I would point out that despite the cutback it means that sales of oil to the United States will increase in this year from some 575,000 barrels per day last year to 650,000 barrels a day this year, compared with 253,000 barrels per day when we took office.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): That is irrelevant.

Mr. Greene: I am somewhat taken aback by the schizophrenic socialism of my hon. friends.

Some hon. Members: Oh, oh!

Mr. Greene: Yesterday, Mr. Speaker—

Mr. Speaker: Order, please. I have the impression these words are unparliamentary. I believe the hon. member has a supplementary.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, since the minister apparently wants to debate this subject, I suggest he should have accepted my motion. In view of the fact that official sources in the United States, according to press reports, have indicated that the President of the United States is prepared to remove these restrictions on Canadian oil exports to the United States provided the Canadian government agrees to an energy package policy by the end of this year, will the minister assure the House that no agreement will be signed by the Canadian government until the terms of that agreement have been discussed by this House so that we do not have another under-the-table oil policy like we had before?

Mr. Greene: Mr. Speaker, the premise of the hon. gentleman's question, of course, is not correct. The Americans have never said any such thing, that they would remove these conditions in the event that he has stated. I would point out that there has been a continually improving market in the United States. I would also point out that yesterday the NDP were in here moaning and groaning about the fact that we were going to have too big a market, and today they are moaning and groaning because they say it will not be so big.

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

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, notwithstanding the comfortable pew attitude of the minister who comes from central Canada, and that most of the effect of this action will be felt in western Canada I want to ask him whether there have been continuing discussions with the provincial governments primarily affected by this action in light of the financial implications to these governments with regard to their revenues? This is not an isolated effect. Is it the intention of the government to give instructions or brief Canada's representatives who are today travelling to Washington with regard to the impact of these changes in American marketing regulations with respect to western Canadian oil?

Mr. Greene: Mr. Speaker, as stated, we have been in consultation with our American friends. I would point out that while I appreciate the fact that any cutback is not accepted readily by western Canada, we have been in consultation with the premiers of Saskatchewan and Alberta on this subject. I would further point out that from the time we took office until now sales have increased by more than 400,000 barrels a day bringing in some $400 million a year to the economy of Canada.

Mr. Speaker: Order, please. It seems to me that we are entering the field of debate. The hon. member for Edmonton Centre on a supplementary.

Mr. Paproski: It is not a supplementary, Mr. Speaker, it is a new question.

Mr. Speaker: The hon. member for Winnipeg North on a supplementary question.

Mr. David Orlikow (Winnipeg North): In light of the decision announced by the United States, is the government giving fresh consideration to the question of constructing an oil pipeline from western Canada into the Montreal and eastern Canadian markets?

Mr. Greene: Mr. Speaker, all these matters are given continuing consideration by the government. The American market is still an extremely good one and an evergrowing one, and we believe it will continue to be so in the interests of Canada and Canadian oil producers.

Mr. Orlikow: A further supplementary, Mr. Speaker. Would the minister now agree to table the feasibility study prepared for the government on the question of an oil pipeline into eastern Canada?

Mr. Greene: Mr. Speaker, the question of an oil pipeline from western Canada to the Montreal market has had continuing review not only by the public but by the private sector since the time of the Borden report. There has not been any application from the private sector to build a pipeline into the Montreal market. Nothing precludes such an application and of course it would be considered by the Energy Board and by the government if one was ever made.

Mr. P. M. Mahoney (Calgary South): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Can the minister indicate whether the quota announced this morning leaves room for an increase in exports of some 80,000 barrels per day or some 10 per cent over the average of last year's exports?

Mr. Greene: Mr. Speaker, the averages last year were, in districts one to five, some 575,000 barrels a day. On the estimates they will go up to 650,000 barrels a day this year. The quotas in districts one to four will go to 417,000 barrels a day this year, averaging the January and February figures—

Mr. Speaker: Order, please. I suggest to the minister that we are actually having a debate and I wonder whether we should go into the details of the situation as we are doing now. I gather the hon. member for Dartmouth-Halifax East has a supplementary.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, as a supplementary I should like to ask the minister whether the import quotas announced by the President of the United States have any impact on government thinking in terms of sources of acquisition of oil for eastern Canadian use, in particular the Atlantic provinces? Is there any contemplated change in our source of oil?

Mr. Greene: Mr. Speaker, as the hon. member knows, most of the eastern sources of oil are from offshore, and certainly this question will be considered by the government in long term plans. As indicated by the President of the United States, it is a temporary decision for the balance of this year only, but it certainly will be weighed in respect of its effect on eastern as well as on western questions.

Mr. Forrestall: A supplementary question, Mr. Speaker. I wonder if I might interpret the minister and ask him to confirm whether I have interpreted him correctly. I take it that eastern Canadian sources of oil are going to be a matter of review and will be subject to inclusion in any further negotiations or further review of the total over-all oil policy?

Mr. Greene: Certainly, Mr. Speaker, in determining oil policy as other policies we have to consider the effect on the whole of Canada, and certainly in oil, where there is a peculiar and particular situation in respect of eastern Canada in that most of the supplies are from offshore, that situation will be considered in any policy review.

Mr. John Burton (Regina East): I have a supplementary question, Mr. Speaker. In view of the answer given by the minister to the hon. member for Winnipeg North, is the government giving consideration to the possibility of a publicly owned pipeline to Montreal?

Mr. Greene: Not at the present time, Mr. Speaker. All our pipelines in this private enterprise economy are currently private enterprise pipelines and, as indicated, if it pays any entrepreneur to build a pipeline I am sure he will put in an application to the National Energy Board.

Mr. J. P. Nowlan (Annapolis Valley): A supplementary question, Mr. Speaker. Have the minister and the government had a chance to consider and assess the implications of the president's statement on the oil industry in Canada? Also, is the minister or any member of the government prepared to make a statement in this House, hopefully before the end of the week, to clarify many of the unsettling questions the President's statement raises?

Mr. Greene: Mr. Speaker, I would be pleased to consider that thought. I point out that the President's decision raises the level in districts one to four from 332,000 barrels per day—

Mr. Speaker: Order, please. I believe the minister has already dealt with this.

Inquiries of the Ministry

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me that we might go to the next subject.

[*Translation*]

BUSINESS OF THE HOUSE

DISCUSSION OF FIRST REPORT OF STANDING COMMITTEE ON AGRICULTURE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the President of the Privy Council. In view of the fact that the first report of the Standing Committee on Agriculture tabled in the House on Tuesday, February 17, 1970, deals specifically with the dairy industry, and considering that the next dairy year is to start in about three weeks' time, is the President of the Privy Council in a position to say when the House will resume consideration of the motion for concurrence in the said report standing as item No. 74 on today's order paper?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I shall take this question as notice and shall study the suggestion of my hon. colleague.

[*English*]

MANPOWER

SUMMER EMPLOYMENT PROGRAM FOR STUDENTS

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. In view of the unemployment crisis for students last year, what action has been taken to date and what action is planned to improve job finding opportunities for university and high school students this summer?

Mr. Speaker: Order, please. I am sure the hon. member will recognize that that question has been asked a number of times recently. On the last occasion it was put in the form of an inquiry as to whether the minister would be making a statement. At least, that is my recollection of the matter.

Mr. Comeau: A supplementary question, Mr. Speaker. Will the minister make a statement on this subject very soon?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I have already made a statement outlining the situation last summer. The situation then was far from being a crisis and our action resulted in the placement of 93 per cent of those students who wanted work. We are following with action along similar lines this year and hope to have a successful program for the coming summer.

Mr. Comeau: A further supplementary question, Mr. Speaker. Will the minister endeavour to obtain reports from those manpower offices on university campuses which employ the tri-semester system of operation so that we may know whether the tri-semester system, if expanded to other universities, could make available more jobs over the year for other university students?

Mr. MacEachen: Mr. Speaker, any change that would improve employment conditions would be welcome but a change in the semester system is a matter for the universities and provincial authorities.

[*Translation*]

PUBLIC BUILDINGS

MONTREAL—CONSTRUCTION OF COMPLEX

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a question for the Minister of Public Works but as he is not in attendance and has no parliamentary secretary, I will direct it to the Acting Prime Minister.

Could he state whether the government intends to build a $100 to $175 million complex in Montreal, as announced recently by the member for Papineau—

Mr. Speaker: Order, please. This question was asked yesterday and I believe that the minister has answered it.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary question to that of the hon. member for Sainte-Marie.

Has the hon. member who has just been referred to been authorized to announce the details of the proposal?

Mr. Speaker: Order. I do not believe the question, as worded by the hon. member, is in order.

Mr. Lambert (Edmonton West): Mr. Speaker, on a point of order.

The question is directed to the Acting Prime Minister. Has the hon. member been authorized to announce such a project when facts prove the opposite?

Mr. Speaker: Order. The question, I repeat, was asked yesterday. It was the first question

first put by the hon. member for Sainte-Marie and the minister, as far as I can remember, replied to it.

Mr. Valade: Mr. Speaker, could the Acting Prime Minister tell the House whether the government intends, in the future, to have its plans and its policies announced by the chairman of its party caucus?

[*English*]

EXTERNAL AFFAIRS

VIET NAM—REPRESENTATIONS TO UNITED STATES RESPECTING ENDING OF WAR

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I address a question to the Secretary of State for External Affairs. In view of the continuance of the disastrous war in Viet Nam and the opinions expressed by distinguished United States citizens such as Mr. Roger Hilson, former Associate Secretary of State for Asian Affairs, that Hanoi would be willing to accept terms that should also be acceptable to the United States, has the Canadian government made any representations to the United States government in regard to steps to end the war or in regard to the negotiations taking place in Paris?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government has been consulting with United States authorities about the war in Viet Nam over the last few weeks and months. The reports we have had indicate that negotiations have not been proceeding very quickly, and I think this is obvious to all concerned. We are willing to be helpful but we have not yet seen any particular initiative we could take that would be acceptable to both sides. My hon. friend seems to feel the United States government should respond to this particular initiative. Many initiatives have been taken and many ideas are in circulation. This is only one.

POLLUTION

AIR—REQUEST FOR STATEMENT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on February 24, as found on page 4024 of *Hansard*, I directed a question to the Minister of Energy, Mines and Resources. It had to do with whether, in view of the great seriousness of air pollution, as indicated by a Toronto doctor who says that over 50 per cent of the diseases suffered by people are directly traceable to air pollution and that we have only two years to do something about it, the minister would make a statement on motions in order that the people of Canada might be assured that measures are being taken to meet this serious problem. Is the minister able to make a report about this alarming statement that over half our diseases are attributable to air pollution?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I have nothing specific to report on that statement except that the question of air pollution and federal responsibility in this regard are being considered by the government, and any policy decisions in this respect will be announced in the House in the normal manner.

SUGGESTED SUSPENSION OF ARCTIC OIL EXPLORATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, may I direct a question to the Acting Prime Minister. The Canadian Commission for UNESCO has called for an immediate halt to Arctic oil exploration until government research shows that there is a safe way of shipping oil without danger? Can the minister say whether Canada has initiated any special and specific research into this aspect of exploration?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we have taken a number of initiatives in the field of environment. For instance, in NATO we supported very strongly the idea that NATO ought to be concerned about questions of environment, and we are supporting the same ideas in the United Nations. Of course, in the field of Arctic pollution we have probably been more active than elsewhere, because this is a very special responsibility of ours in Canadian waters. But we are concerned not only about Canadian waters but about the general problem in the Arctic and forthcoming legislation I think will indicate that interest.

EFFECT OF EAST COAST OIL SLICK ON HARP SEALS—CONTAINMENT OF SPREADING

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question and I am gambling on it being somewhat related. Has it been brought to the attention of the Minister of Fisheries and Forestry that the present east coast oil slick has now reached Sable Island and will affect not only on Sable Island but all along the coast of Cape Breton

some thousands of harp seals which are about to drop their pups and are going to be seriously imperilled?

Mr. Speaker: Order, please. The question is not related. However, the question having been asked the minister may perhaps wish to reply.

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, our officers have kept the situation under very close scrutiny. They will be assessing any damage, totalling it up and presenting the bill to the right place.

Mr. Forrestall: A supplementary question, Mr. Speaker. Since the Minister of Transport is not here, can the Minister of Fisheries and Forestry indicate whether the federal government intends to join with the province of Nova Scotia in building a causeway or dam in order to contain the further spreading of oil from the tanker *Arrow*?

Mr. Davis: Mr. Speaker, we have been proceeding on our own in these respects and if the government of Nova Scotia can help us in any way we will certainly welcome the help.

REPORTED OIL IN SEA OFF ALASKA

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Has he had any discussions with officials of the United States to determine whether the oil slick in the North Pacific has resulted from the earlier underground atomic test at Amchitka?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not personally. I will have to ask in my department. They have probably acted on certain information that has appeared in the House and elsewhere. I will take that question as notice.

EXTERNAL AFFAIRS

PROPOSED U.S. NUCLEAR TESTS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a question concerning the proposed underground nuclear test in the Aleutians. The minister wrote a note to Washington concerning the first test. Has the minister made any representations to Washington since this matter was brought up some two months ago?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As I have said many times in the House, Mr. Speaker, we are still awaiting information on the results of the first test. Of course, all the discussions that take place in this House are well known to the United States ambassador, who I am sure passes this information on to his government. We have not yet made up our minds whether to take exception to another test. Before doing so we would like to see the results of the first test.

[*Translation*]

AGRICULTURE

DAIRYING—DATE OF ANNOUNCEMENT OF POLICY

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

Would he tell the House whether he intends to wait until after the debate on the report of the Standing Committee on Agriculture to announce the dairy policy for 1970-71?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Not necessarily, Mr. Speaker, because we have to make that announcement before the House recesses or some time before April 1.

IMMIGRATION

ACTION TO INCREASE NUMBER OF PEOPLE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to address my question to the Minister of Manpower and Immigration. In view of the many wonderful enticements to enjoy the good life in Canada, can the minister state why the number of immigrants to Canada during 1969 was 12.2 per cent lower than in 1968?

Mr. Speaker: The hon. member will appreciate that the question is asked in an argumentative way. In this sense, it is not in order. The hon. member may want to rephrase his inquiry.

Mr. Paproski: Can the minister say what new action is planned to increase the flow of immigrants to Canada for the remainder of this year?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the main reason for the decline is—

Mr. Ricard: The white paper.

Mr. MacEachen: —the buoyant economy in Europe. The hon. member will notice that

despite the decline from Europe, the traditional source of immigration, there are increases from the United States—

An hon. Member: Don't boast about that one.

Mr. MacEachen: —the Caribbean and Asia. In reply to the question, Mr. Speaker, we are continuing to promote Canada as a good place for immigrants to settle. We hope we will be able to attract considerable numbers to Canada this year.

REQUEST FOR REVIEW OF SELECTION CRITERIA

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): A supplementary question, Mr. Speaker. In view of the increased complaints by Canadian citizens who wish to sponsor immigrants from central and eastern European countries, will the minister review the selection criteria which are now being applied as far as immigrants are concerned?

Mr. Speaker: It seems that the Parliamentary Secretary is now making a suggestion. He has to assume the minister will take note of the matter.

Mr. John Lundrigan (Gander-Twillingate): A supplementary question to the Minister of Manpower and Immigration. Has the minister been able to calculate the statistical multiple correlation between the immigration policies of Canada and the United States and the present United States attitude toward our oil exports?

EXTERNAL AFFAIRS

PARTICIPATION IN UNITED NATIONS BIRTH CONTROL PROGRAM

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to ask the Acting Prime Minister whether he is now in a position to say if a decision has been made by the cabinet which will permit the government of Canada to participate this year in the United Nations program for birth control and family planning?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the subject is under consideration in the cabinet. I think it would take a little longer than Your Honour would permit at question time for me to announce government policy. I hope there will be an occasion in the future to set it forth in a clear and satisfactory way for my hon. friend.

VETERANS AFFAIRS

REQUEST FOR INTERIM INCREASE IN PENSIONS AND ALLOWANCES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. Some time ago the minister was asked a question about whether the government was giving immediate consideration to increasing pensions and war veterans allowances. In view of the very serious situation in which veterans find themselves—the minister has that information at hand—is it the intention of the government now to bring in an interim measure at least so as to assist those who are suffering as a consequence of the high cost of living?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, this question has been asked before.

Mr. Diefenbaker: When are we going to get the answer?

Mr. Dubé: The answer is the same. This matter is under consideration. When an announcement is to be made, it will be made by the government in due course, not as an answer to a question during the question period.

Mr. Diefenbaker: Mr. Speaker, by taking an attitude like that surely the minister realizes that he is actually saying to the veterans of Canada that he does not care a snap.

[*Later:*]

Mr. H. Russell MacEwan (Central Nova): I have a supplementary question to the Minister of Veterans Affairs. Can the minister advise if he will be bringing legislation into the House during the present session to increase veterans pensions? If so, will it be on the basis of what the Standing Committee on Veterans Affairs reports to the House? The committee will be reporting prior to the Easter recess.

Mr. Dubé: Mr. Speaker, this matter is still before the Standing Committee. I understand the committee will have three further meetings to hear requests from the Veterans Associations. As soon as their report is presented to the House, we will prepare legislation. If the House moves fast enough, that legislation will be placed before it.

Inquiries of the Ministry

Hon. J. A. MacLean (Malpeque): A supplementary question, Mr. Speaker. When the government does in the fullness of time, make a decision in regard to the increases in veterans pensions, will these increases be retroactive at least until January 1, 1970, and will the increases be payable to the estates of many veterans who will have died in the meantime?

Mr. Dubé: Mr. Speaker, the recent increases in 1968 were made retroactive to January 1, 1968.

GRAIN

WHEAT—ACREAGE REDUCTION PROGRAM—USE OF NURSE CROPS

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I have a question for the Minister of Agriculture. With regard to the recently announced wheat surplus reduction policy, will farmers wishing to seed forage crops early this spring be allowed to use nurse crops while still retaining those acres for wheat quota if they undertake to remove those nurse crops before July 15?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, this is a matter that we have under active consideration now in drawing up the regulations to apply to this program. I am sure the hon. member realizes that there are some great complexities with respect to seeding other crops, whether or not they are called nurse crops, such as barley and oats which would substantially increase the output of those two crops when the major objective of the over-all program is to reduce wheat acreage and at the same time, as far as it is possible, to refrain from overproducing these other crops.

WHEAT—ACREAGE REDUCTION PROGRAM—INCLUSION OF LAND BROKEN LAST YEAR IN SUMMERFALLOW ACREAGE

Mr. S. J. Korchinski (Mackenzie): I have a supplementary question. Under the announced operation "Lift" program, otherwise known as the Lower Incomes For Tomorrow program, will last year's breaking be included as part of the summerfallow acreage for the calculation of this year's quota since it was not recorded in the permit book?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, if the breaking was not recorded in the permit book at all, even as new breaking, I do not believe that land will be added.

[Mr. Dubé.]

My understanding of this situation is that even for the 1969-70 permit year any land that was broken in that year shows up for new breaking in that permit book.

Mr. Korchinski: A supplementary question. In order that the situation will be clarified, there are many cases where the breaking occurred late in the fall and consequently could not be recorded in the permit book. Will this acreage that was broken last year be included as part of last year's summerfallow in the calculation of this year's quota?

Mr. Olson: No, Mr. Speaker, I do not think so.

EXTERNAL AFFAIRS

ARMING OF U.S. IMMIGRATION AND CUSTOMS OFFICERS

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs which has to do with the question about the United States arming their customs officials on the Canadian border. I wonder whether the minister would suggest to the United States authorities that they adopt the new Canadian custom of welding the triggers on our guns?

TAXATION

WHITE PAPER ON REFORM—SUPPLEMENTARY DOCUMENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Finance. On January 15 the Minister of Finance indicated to the Standing Committee on Finance, Trade and Economic Affairs that he would be presenting a white paper dealing with three questions in regard to which the government had arrived at some conclusions as to certain difficulties. In light of the fact that this morning the minister tabled, through the committee, a mini white paper or supplementary paper on one question, can the minister indicate when he will express his views with regard to the remaining points, namely, approval for professionals and the status of investments to be made in less developed countries than Canada?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I am glad that my hon. friend has the same respect for the committee that I have, which is not always the case with hon. members opposite. The information to be given was not in the form of a white paper; I was simply to supply the committee with the

information. This morning I supplied information with regard to one of the points. The information with regard to the two other points will be forthcoming very quickly.

Mr. Lambert (Edmonton West): Mr. Speaker, may I just quote the minister's own words at page 1215 where he said—

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): —he would "send along a white paper expressing our views in this regard".

Mr. Benson: Mr. Speaker, on a point of order, since my hon. friend has quoted that, would he also quote the correction made in the afternoon of the same day.

NATIONAL DEFENCE

U.S. PARTICIPATION IN OPERATION "VIKING"

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of National Defence. Could the minister tell the House whether soldiers—perhaps I had better say members of the armed forces—civilians or materiel from the United States will be participating in Operation "Viking" in the air, over the water or on the ground?

Hon. Léo Cadieux (Minister of National Defence): No, Mr. Speaker.

POLLUTION

AVAILABILITY TO COMMITTEE OF PROVINCIAL BRIEFS ON CONTROL

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of Energy, Mines and Resources. Did the provincial governments submit briefs on the subject of pollution control to the federal government during the federal-provincial conference held in Ottawa on February 16 and 17? If so, why has the minister not made these briefs available to the national resources committee which is currently dealing with the Canada Water Act?

Mr. Speaker: Order, please.

INDIAN AFFAIRS

BRANTFORD—CLOSING OF MOHAWK INSTITUTE

Mr. J. E. Brown (Brant): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development.

Some hon. Members: He is not here.

Mr. Brown: If the minister is not here, then perhaps someone from the department can answer. Does a recent announcement to the press of the closing of the Mohawk Institute at Brantford, Ontario, the largest Indian educational institution in Canada, without prior consultation—

Some hon. Members: Shame!

Mr. Brown: —with the Six Nations Council, or even with myself as the Member of Parliament for Brant—

Some hon. Members: Oh, oh!

Mr. Brown: —constitute a change in government policy, or was it a slip-up by someone in the department?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I might advise my hon. friend that the minister is on his way back from the Northwest Territories and will be here later today.

With respect to the question, my advice from departmental officials is to the effect that there was in fact detailed consultation with the Indians involved, and that the closing of the Mohawk Institute to which my hon. friend referred was after these detailed consultations and with the consent of the Indians concerned.

• (3:00 p.m.)

GOVERNMENT ORDERS

OIL AND GAS PRODUCTION AND CONSERVATION ACT

AMENDMENTS RESPECTING DEFINITIONS, APPLICATION, OIL AND GAS COMMITTEE

The House resumed from Monday, March 9, consideration of the Motion of Mr. Greene that Bill S-5, to amend the Oil and Gas Production and Conservation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works, and of the proposed amendment thereto of Mr. Aiken (page 3591).

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Division

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment (Mr. Aiken) which was negatived on the following division:

YEAS

Messrs:

Aiken
Asselin
Beaudoin
Bell
Bigg
Cadieu (Meadow Lake)
Carter
Coates
Code
Comeau
Danforth
Dionne
Downey
Dumont
Fairweather
Flemming
Forrestall
Gauthier
Godin
Grills
Gundlock
Horner
Howe
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
La Salle
Lundrigan
MacEwan
MacLean
Macquarrie
MacRae
McCleave
McKinley
McQuaid
Marshall
Matte
Mazankowski
Monteith
Moore
Muir (Cape Breton-The Sydneys)
Nesbitt
Nowlan
Paproski
Peddle
Ricard
Rodrigue
Rynard
Scott
Southam
Stewart (Marquette)
Tétrault
Thompson (Red Deer)
Valade—54.

NAYS

Messrs:

Allmand
Andras
Badanai
Barnett
Basford
Béchard
Beer
Benson
Blair
Blouin
Breau
Brewin
Brown
Burton
Cadieux (Labelle)
Cafik
Cantin
Chappell
Clermont
Cobbe
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cyr
Davis
Deachman
Douglas (Assiniboia)
Douglas (Nanaimo-Cowichan-The Islands)
Dubé
Duquet
Émard
Forest
Forget
Foster
Gendron
Gervais
Gibson
Gilbert
Gleave
Goode
Gray
Greene
Groos
Guay (St. Boniface)
Guilbault
Haidasz
Harding
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Howard (Skeena)
Hymmen
Isabelle
Jerome
Kierans
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Langlois
Laniel
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacInnis (Mrs.)
Mackasey
McBride
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Mather
Munro
Murphy
Noël
Nystrom
O'Connell
Olson
Orlikow
Osler
Otto
Ouellet
Penner
Pepin
Perrault
Peters
Portelance
Pringle
Prud'homme
Reid
Richardson
Robinson
Rochon
Rock
Rose
Roy (Timmins)
Ryan
Saltsman
Sharp
Skoberg
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve)
Thomson (Battleford-Kindersley)
Tolmie
Turner (London East)
Whelan
Whiting
Winch—119.

[Mr. Speaker.]

• (3:20 p.m.)

Mr. Speaker: I declare the amendment lost.

Is the House ready for the question on the main motion? Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. MacLean: Carried on division.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

MEASURE TO SUPPLEMENT PENSIONS

Hon. Donald S. Macdonald (for the President of the Treasury Board) moved that Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Reve-

nue Fund and to amend certain acts that provide for the payment of those pensions, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the larger portion of the bill before you is required to give effect to the government's decision to introduce legislation to provide for increases in the pensions of retired public servants and their surviving dependants commencing in the month of April, 1970. As the House will recall, that decision was announced by my colleague, the President of the Treasury Board (Mr. Drury), just before the Christmas recess in December, 1969.

As that proposed legislation was to include provision for the escalation of pensions of former Members of Parliament, it was going to be necessary to amend both the Members of Parliament Retiring Allowances Act and the 1965 statute which dealt with retirement from the Senate. The government considered it desirable, therefore, to include in this bill the amendments which it was proposing to Parliament as a result of its review of the report on parliamentary allowances of Emeritus Dean C. A. Curtis of Queen's University. Due to the interrelationship of these two sets of amendments, it had the great advantage of simplifying the drafting of the legislation to combine the two in the same bill.

In dealing with the general escalation question, I do not have too much to add to what the President of the Treasury Board said to the House on the afternoon of December 19. The proposals which are now before you are based on a report by the advisory committee on the Public Service Superannuation Act which examined proposals made to the government for a special contributory plan financed by contributions of the government and employees. That committee concluded that such a plan financed by equal contributions of the government and employees is feasible as a continuing method for updating pensions payable in respect of retired public service employees under the Public Service Superannuation Act.

• (3:30 p.m.)

Assuming that this bill is approved and receives royal assent before the House rises for Easter, those now receiving government of Canada pensions in respect of employment with the federal government would have their pensions increased as of April 1, 1970. For example, for those who retired in 1969 the increase will be 2 per cent, while those who retired earlier will receive larger percentage increases up to a maximum of 42 per cent for those who retired in 1952 and earlier. Again commencing in 1971, pensions may be increased by a maximum of up to 2 per cent in each year, geared to a formula based on the cost of living, if in any year that should be appropriate.

These increases will in turn be financed by additional contributions of one half of one per cent by present employees, contributions that will be matched by the government. Both contributions will go into a special contributory account for funding the additional benefits.

My preceding remarks related primarily to the public service employees in the technical sense, and while representatives of the Canadian Forces and the RCMP attended the meetings of the advisory committee during its study of the subject and the preparation of its report, this committee confined its recommendations to the financing of the escalation of pensions of public service employees.

The decision in respect of the Canadian Forces and of the RCMP Force was taken separately in consultation with those responsible for those forces. The same considerations which led to the acceptance of a joint employer-employee contributory scheme for the benefit both of those already retired and of those retiring in the future in the case of public service employees were recognized as being equally applicable in this case also. The costs involved for present members were partly responsible for the choice of age 60 as the normal commencement age for these increases.

The bill also incorporates an additional change with respect to the Canadian Forces pensions and those of the RCMP. As hon. members may recall, when the Canada Pension Plan came into force those two groups elected to have the superannuation benefits received attributable to military or police service reduced at age 65 by the amount of the Canada Pension Plan payments attributable to that service. Those two groups have now signified that they would like to be treated in the same way as other retired public servants, namely, that their superannuation and Canada Pension Plan benefits be co-ordinated so as to produce somewhat higher benefits. The bill includes an amendment to effect that change.

There are, in addition, a number of special classes of public officials who are also dealt with in the bill. Under the Governor Gener-

al's Retiring Annuity Act, former holders of that office or their widows are entitled to receive a non-contributory pension. In the same way the Judges Act provides for pensions payable to judges or their spouses without the requirement of contribution on their part. Since those pensions are in a special category related to those particular offices the full cost of the supplementary retirement benefit is borne by the federal government.

Again under the arrangements made in 1963 for those who have held the office of Prime Minister, a pension is payable at the age of 70 to any former Prime Minister who held that office for a minimum period of four years. That pension is a non-contributory one. Under this bill, however, those holding the office of Prime Minister from time to time will be required to make contributions at the rate of one half of one per cent to provide for supplementary retirement benefits.

I would like to turn now to the amendments proposed in the Members of Parliament Retiring Allowances Act. Present members of the House of Commons will be given a year in which to decide whether or not to come under the new plan. Until they decide, the only difference will be that they will contribute on their sessional allowances plus their expense allowances at the present rate of 6 per cent plus one half of one per cent required in respect of the plan for escalation under the Supplementary Retirement Benefits Act.

The immediate effect of electing to come under the new plan will be to increase the rate of basic contributions from 6 per cent to 7½ per cent which, with the additional one half of one per cent for the supplementary benefit, will make a total contribution rate of 8 per cent on $18,000, as I have said after including the additional contribution for the escalation plan. The contribution of 7½ per cent will apply to the full amount of the sessional indemnity and expense allowance dating back to the opening of this session on October 23, 1969. The amount payable in addition to the contributions already made may be paid in a lump sum or on the insured instalment basis with interest applicable to elections for prior service.

Once a member is under the new plan, he then has a year to elect to contribute for additional prior service credits under the new benefit formula which I shall describe later. This then will permit a member with service at any time since April 8, 1963, to contribute at the 7½ per cent rate on the full amount which he received during that period as sessional allowance and expense allowance less, of course, the contributions already to the member's credit.

As to members with service prior to April 8, 1963, they will be entitled to contribute on the full amount of the sessional indemnity up to $8,000 or $4,000 then received, as the case may be, depending on the maximum sessional indemnity which was then payable. These contributions will be at the 6 per cent rate applicable to those years less, again, the contributions already to the member's credit. Interest is payable on these elections to pay for prior service.

Members who received additional salaries or allowances for additional duties may elect to contribute on them for any time in the past and for each year in the future. The contribution payable may be up to 7½ per cent of the salary or allowance at the option of the particular member.

The benefit formula which was recommended by Dean Curtis in his report involves the adoption of the best six years average formula now applied under the Public Service Superannuation Act, for example. This means that the average of the sessional allowance plus the expense allowance over a period or periods making up to six consecutive years of service in which the total of these allowances was highest, will be used in the benefit calculations.

The percentage to be applied to this average amount will be built up on the basis of 3½ per cent for each of the first ten years of pensionable service, 3 per cent for each of the next ten years of pensionable service, 2 per cent for each of the next five years of pensionable service, and 2 per cent for each year of pensionable service based on contributions made on salaries or allowances received for extra duties. A year of pensionable service is determined by the principal amount contributed in respect of the different periods of service as set out in some detail on page 16 of the bill.

In sum the total of these percentages may not exceed 75 per cent, so that it will take 25 years to reach the maximum for a member who does not make contributions on additional salary or allowances received. A member who makes these contributions simply shortens the period in which he reaches this maximum, but he does not increase the maximum yield. The maximum pension under the proposed system would be $13,500.

The present provision on eligibility for pension after contributing in respect of sessions in three Parliaments has been changed to one of being a member for six complete years. This will undoubtedly mean that some members will qualify after being elected only twice instead of three times as in the past. On the other hand, some members have been able to qualify in as little as 3½ years under the present system.

• (3:40 p.m.)

Dean Curtis also proposed that payment of the full pension be deferred to age 55 with provision of reduced actuarial equivalent benefits payable earlier. The government decided that the principle in the present legislation, which was introduced in 1952, should be retained whereby the pension should be payable immediately a former member qualified. To help fund these payments, the government proposed an increase in the members' contributions to 7½ per cent from the 7 per cent recommended by Dean Curtis.

The bill also meets what has been a serious worry to many members in providing annuity benefits for dependent children of deceased members. Under the present legislation, while survivorship benefits are provided for spouses, none are provided for children. This bill provides that an annual allowance of one-tenth of the basic allowance shall be paid to each dependent child up to a maximum, of three, along with the payment to a surviving parent, of three-fifths of the basic allowance. In the case of orphaned dependent children, the bill departs from Dr. Curtis' recommendations which were that the widow's three-fifths should be allocated among the surviving children whatever their number. Instead, the children's allowances are doubled from one-tenth to one-fifth each.

In the case of senators, a parallel change is provided in that those under the Members of Parliament Retiring Allowances Act will contribute on their combined sessional indemnities and expense allowances immediately. The provisions which I have described will be generally applicable to them with the benefit formula accumulating at the rate of 3 per cent for each year of pensionable service as a senator.

The bill also provides that those senators appointed before June 2, 1965, who are under the Senate retirement provisions, will be given an opportunity to resign and go on pension if they are over 75. Those under 75 can indicate their intent to resign on reaching age 75 and thereby provide automatic annuity benefits for their widows if they die before reaching that age.

This is a complicated bill, Mr. Speaker, and there have been some consultations through the usual channels with respect to the best method of dealing with it in committee. I think there might be general agreement that instead of referring the bill, as the motion indicates, to the Standing Committee on Finance, Trade and Economic Affairs, it would be desirable to amend the motion on second reading so that the bill may be referred to the Standing Committee on Health, Welfare and Social Affairs. If we could have unanimous consent for that purpose, I should like to suggest that the motion for second reading be amended in that way so that the bill be referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Is there unanimous agreement to amend the motion as suggested by the hon. minister?

Some hon. Members: Agreed.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, the main purpose of part I of this bill is to neutralize to some extent the effects of inflation as applied to certain groups at fixed incomes, namely those on pensions as a result of having served to a pensionable age as civil servants, members of the armed forces, in the RCMP, the Senate, the House of Commons or anyone else covered by schedule A on page 39 of the bill.

We, in the official opposition, are fully in support of the principle of the bill but we have some criticism to offer in that the government delayed so long in introducing it to Parliament. We propose, therefore, that this stage of the bill be as brief as is reasonable so that it will reach the committee in a reasonable time and the committee will have some time to consider it.

Of course in this bill, the government is in the role of an employer and Parliament, therefore, is being asked to make certain amendments and corrections to the conditions of former employees of the government. This bill must receive royal assent by March 25, on our present schedule. Clause 4 of the bill is mandatory and provides that commencing with the month of April 1970, the benefits under the bill shall be paid. Clause 6 provides that these benefits shall be paid at the same time and in the same manner and during or in respect of the same period as the pension payable to the recipient.

My information is that the various pay offices have been and are now engaged in adjusting the April cheques. This government has allowed less than five days since the printing of the bill for an assessment of it. It now allows only 12 days for the rest of the Parliamentary process. Part I is essentially a financial adjustment between the employees of the government, past and present, and the government as an employer. There are benefits to be paid to past and present employees but there are also increased financial burdens to be placed on present and future employees and on the people of Canada who must match the additional contributions of the public service, the RCMP and the armed forces.

To meet the April deadline, this bill must have debate on second reading, be considered in committee, be reported out for consideration on the report stage, get third reading and then go through roughly the same processes in the Senate before it receives royal assent. This timetable can only accommodate government witnesses as to the committee stage. It cannot be expected that organizations representing the public service, ex-members of the RCMP, the armed forces and other organizations will have adequate time to present to the committee whatever their views might be. There is a slight odour of political blackmail rather than participatory democracy in this kind of timetable because it limits debate.

The consideration that Members of Parliament will be able to give the bill in committee will be limited and there will not be as good an opportunity as there should be for those affected by the bill and interested in it to put their views forward to the committee.

Having said that, I say that not only is there not enough time left for its consideration in a reasonable manner but it should have been introduced much sooner because retired civil servants and others have been suffering from the erosion of their pensions for a number of years by inflation. In some cases this has been very unjust.

Some hon. Members: Hear, hear.

• (3:50 p.m.)

Mr. MacLean: I want to turn now to Part II of the bill. I note, Mr. Speaker, that it is based in its most important respects on the Curtis report. I commend the government for having appointed Dean Curtis to study this matter of parliamentary pensions because it is a difficult matter. Dean Curtis has had this question under review for about three years now. It is a complicated and difficult task that is not generally understood by the public. In my humble opinion such a study should be made by an unbiased, objective expert as is Dean Curtis instead of a committee of this House, so that we may have a decision that is fair to the public and to members of the House. In his report Dean Curtis says:

> The whole matter of retiring allowances, pension plans, etc., has received a great deal of attention in recent years and has become one of the most important aspects of employment conditions. The great growth in private pension plans, and the social security system in the United States and Canada are all evidence of this. It is therefore appropriate that the position of Members of Parliament under existing plans should be reviewed.
>
> The growth of private pension plans in recent years has been accompanied by the initiation and development of retirement allowances for Members of legislative bodies in the United Kingdom, the United States and Canada. At the present time eight provinces and the federal parliament have established some type of plan.
>
> In earlier times, being a member of a legislative body was regarded as a form of public service which the individual contributed with the obligation to cover the costs involved. Indeed, it was not until 1911 that the British Parliament introduced payment of House of Commons Members. And in Canada the indemnities were always relatively low. The view that such positions were for people of means has given way to the recognition that adequate payment must be made if people of ability are to be attracted to the field—irrespective of their economic circumstances. It is thus necessary to have retirement plans which are comparable with those existing elsewhere.
>
> The situation of members of elected bodies is that their retirement may be involuntary—

That is a polite way of saying members may be kicked out by their constituents. I continue:

> —after a relatively short period of service. There is, so to speak, an occupational hazard not common in other occupations. Few people go into public life for the money income involved; indeed the real income of the position comes in the form of prestige, power and the ability to influence decisions.

I sometimes think that backbenchers and members of opposition parties cannot influence the decisions of this government as much as they ought to be able to do. I continue:

> In the main, it is non-pecuniary. But this should not obscure the fact that many able and willing people may be disbarred from this occupation because of economic considerations and the risks involved. It is, therefore, the function of the financial returns to people in public life to reduce such economic handicaps to a minimum. It is also true that being a Member of the House of Commons is now a full-time occupation. In earlier days the House sat less frequently and the Members could continue with their usual occupation in some manner. Now, it is nearly impossible for a Member to carry on his usual business or occupation. If he does, something is neglected.

I could not agree more with those sentiments. May I point out some of the occupational hazards of being an elected representative? According to statistics available for the last few Parliaments, almost half of Parliaments' membership will fail to qualify for the minimum period of six years for the minimum pension. In other words, almost 50 per cent of hon. members serving will not survive long enough as Members of Parliament to qualify for a minimum pension. The statistics of the last few years also show that not more than 1.5 per cent of the total membership of the House will qualify for the full pension. Only 1.5 per cent of all members here will survive that long as members. Only about 10 per cent of the membership of parliament survives in Parliament as long as 15 years. These statistics, obtained by studying a number of past Parliaments, are quoted by Dean Curtis in the report.

No one should think that when a Member of Parliament finishes his parliamentary career, however brief, he will automatically qualify for the $13,500 pension. The ex-member who qualifies for the full pension will be quite a rare bird. The bill generally follows, in most of the important aspects, the recommendations of the Curtis report, and therefore I agree in principle with it.

As the President of the Privy Council (Mr. Macdonald) pointed out that the government did not accept the recommendation which states that the qualifying age for a pension should be 55 years. Because that recommendation has not been accepted, half of 1 per cent has been added to the total contribution and members who are under 55 years of age as well as those who are over will now contribute an extra $90 a year. The member may begin to collect his pension immediately on ceasing to be a member, regardless of age. By the nature of things few members will qualify for the pension during their younger years, but there may be some. The additional one half of 1 per cent members will have to contribute, plus the one half of 1 per cent we shall have to contribute to provide for the rising cost of living, will mean that the individual's contribution will be 8 per cent of his income, which is quite a heavy contribution so far as pension plans go. But, as I said, we cannot be judged on the same basis as employees who have security of tenure in their employment and can look forward to a long period in the same employment, probably until their normal retirement age of 60 or 65.

Because Members of Parliament may qualify for a pension when relatively young, some may think that the pension provision is unjustifiably generous. May I point out, Mr. Speaker, that individuals are not usually selected by parties or nominated by parties or individuals to represent constituencies in Parliament until they have made some reputation and name for themselves in their own communities. It is usually at the beginning of their most productive years, whatever their profession or business may be, that individuals are drafted by their friends or neighbours to run for Parliament. That being so, hon. members frequently find they have given their best years to Parliament and leave it poorer than when they entered. I am, therefore, delighted to see that the bill will remove the terrible insecurity that has been hanging over the wives and children of Members of Parliament. Too often we have seen cases where serving Members of Parliament have died and left their dependents destitute.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in his opening remarks the President of the Privy Council (Mr. Macdonald) referred to the announcement that was made on the afternoon of December 19, 1969, by the President of the Treasury Board (Mr. Drury). That was an afternoon I shall long remember. In fact, those who were in the House that day will understand what I mean when I say that for me it was one of the most exciting moments of all the years that I have been in Parliament.

• (4:00 p.m.)

It was in 1944 when I first started arguing the case for an increase after retirement in the pensions of retired civil servants. I have spoken about this matter quite a few times in the intervening years, although I have no record of the number of times. It was, therefore, with great appreciation and real delight that I rose that afternoon to respond to the statement of the President of the Treasury Board when he indicated that legislation would be brought in for the escalation of pensions of all federal superannuates, both those who are now retired and those who will retire in the future. I am happy today that the bill before us, in so far as it deals with that aspect of the matter, implements to the full everything that the President of the Treasury Board announced on the afternoon of December 19.

In the intervening weeks I have received hundreds—it may well run into thousands—of

letters from retired civil servants, retired armed forces personnel, retired RCMP personnel and others from across this country and also outside the country, expressing their pleasure that this battle has been won and that from now on the pensions of federal superannuates will go up if the cost of living continues to rise.

In referring back to what happened on December 19, I say again it was one of the happiest and most exciting moments of my career in this place. I am very happy that we have before us in legislative form what was announced on that occasion. However, Mr. Speaker, I have to admit that the edge of that excitement and happiness has been somewhat reduced by the action of the government in putting another matter into this bill, namely the complete revamping of the Members of Parliament pension provisions. I shall come to that aspect of the matter in a few minutes. Before I do so. I want to say a little more about the provision for increasing the pensions of retired civil servants.

The President of the Privy Council today, like the President of the Treasury Board on December 19, has given the main outlines of this provision. Starting next month, April, all federal superannuates will receive an increase in their pensions. The scale has been made clear. Those who retired in 1969 will get a 2 per cent increase; those who retired in 1968 will get a 4 per cent increase, and it goes up, with a bit of compounding, back to the year 1952. Those who retired that year or earlier will get a 42 per cent increase in their pensions. In January 1971 there will be another increase. We can say now that that will be a 2 per cent increase because of the way in which the cost of living has been rising during the past or so.

If the cost of living continues to rise, there will be increases in these pensions of up to 2 per cent every year from now on. In other words, the formula of the Canada Pension Plan is being applied in this case. That is all good, Mr. Speaker. I welcome it. I welcome the fact that there is no means or needs test and no dollar limit on these pension increases. I welcome the fact that everybody is included. I have long contended for the principle of universality in pension matters. I am glad to see it is being carried out in this case.

There are a few matters on which I want to comment, some of it perhaps critical. I think it would have been a good idea to find a way to pay a higher percentage in the case of those pensions that are very low in amount. It is the same old story, to them that hath shall be given and from them that hath not shall be taken away even that which they have.

An hon. Member: Hallelujah!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I don't mind the jest at my quoting scripture, or at least paraphrasing it. I do not mind at all. It is one of those facts of life we shall have to do something about some day, and I shall say something about that later in my remarks today. The way in which we forever find an excuse for widening the gap between the poor and the rich does not gibe with the principles of a just society. I wish a way had been found to increase, by a little higher percentage, those pensions of federal superannuates, be they retired persons themselves or their widows, which are in the lower brackets.

The next criticism I wish to make is not so much about what is in the legislation, but rather of the government in its failure to explain the matter. I say this with particular reference to the additional one-half of one per cent that everybody is going to be required to pay. I support this. I am glad it is universal. Members of Parliament will have to pay it as well as civil servants right up to the top level. Those civil servants with 35 years' service who are no longer paying to the superannuation fund will have to pay this extra one-half of one per cent. I am glad it is being paid on behalf of the judges and the Governor General, and any others who do not make contributions to their pensions.

A certain amount of antagonism to the whole plan is developing in some quarters because some people have the notion that those who are now working are being required to pay the increases for those who are now retired. I think I understand these figures, amounts and calculations well enough that I can see how it can be argued either way. I suggest that the realistic approach to this whole problem is to say that the people now at work, who now pay one-half of one per cent, are paying for their own escalation after they retire. Indeed, I have received letters from people who do not realize they are going to get a benefit when they retire. They think they are simply being asked to pay now for those who are already retired. This is a total package. It is one society. We have to stand together on matters of this kind. As I say, I support the extra half of one per cent, but I wish that the government had done a little better job of explaining to the people

involved what it is all about. The President of the Treasury Board sent out a letter to every recipient of these pensions in the early part of the year. Some of those who received the letter have sent it to me, and I find no explanation of this fact in that letter.

• (4:10 p.m.)

I also regret that the government has not found it possible at this time to make some other changes in the public service superannuation legislation. I contend that the formula under which pensions are paid could be improved. I think that the people who have been retired for a number of years might have been given the option of benefiting from the best six year average. I think the amount payable to widows might have been increased to 60 per cent or to 75 per cent. There are a number of other changes in the formula that might have been made.

I did not say this on December 19, Mr. Speaker, and I would not say it today if all that the government was doing in this bill was simply providing an escalation of pensions that have been put in pay. But as I shall point out in a few moments, with respect to one particular group of people namely ourselves, we are revising the formula, revamping the whole scheme. Therefore, I think I can now make a criticism of the government and say that it should, in the case of the civil servants, have made some important changes as well in their pension plan.

There is not time to go into this now, and I will not try to take the time of the House in any case; this I can deal with when the bill gets to committee. However, it does seem to me that there is, particularly in view of the other provisions of the bill, a very strong case for making changes to the public service superannuation plan in addition to those proposed in this particular legislation. I say to those who are complaining about the extra half of one per cent that that is not the thing that is wrong. The thing that is wrong is that something is not being done to improve the other aspects of the plan.

There is one other point I should like to make about the effect of this escalation on one particular group of people, a group that always seems to get it in the neck. I will come at this question by reading a sentence from the letter that the President of the Treasury Board sent to all federal superannuates. This letter went out with all the cheques that were mailed at the end of January; the letter is dated February 2. The President of the Treasury Board had the pleasure of telling our superannuates that this increase was coming in April, and it is a letter that I am sure he enjoyed writing. In his letter he said this:

> I would also like to point out that there will be no means test or needs test in this connection, and that all in receipt of pensions, whether former employees, or their widows and dependents, will benefit from the new provisions.

That sentence is categorical. It says "all"—not "most" of them, not "all but a few", but every one of them—will benefit from the new provisions.

There is one group that will not benefit. I have asked at least one question in Parliament this year to try to bring this point out, and the Minister of Veterans Affairs (Mr. Dubé) to whom I put the question gave me a sympathetic answer. He has since written me a letter in which he points out the difficulty of meeting my request.

Here is the situation. There are some retired civil servants included in this category of "all" that the President of the Treasury Board referred to who are on very low pensions. In fact, their pensions are so low that even after they get their civil service pension and their old age security, they still require to get a marginal amount as a war veterans allowance. As the legislation stands, when these retired civil servants get this increase in their civil service pension, their war veterans allowance will be reduced by that same amount under the means test provided in the War Veterans Allowance Act. That situation vitiates, flies in the face of, the statement of the President of the Treasury Board to every recipient of the civil service pension that "all" will benefit from the new provisions.

The President of the Privy Council may tell me that that is something for some other piece of legislation. I would point out that the government did not fail to amend 15 or 20 different acts so as to cover all the matters it wanted to cover. There could have been an amendment in this omnibus bill that is now before the House to provide that, in the case of those who are receiving both war veterans allowance and a civil service pension, they would, as the President of the Treasury Board said they would, benefit from the provisions under this bill.

I expect to be on the committee to which this matter will be referred—I am sure that that will not come as a surprise to hon. members—and I shall certainly go into this matter at the committee hearings. Nevertheless, I think it is a bit raw that a group that was vic-

timized by the means test when the guaranteed income supplement was brought in is now to be victimized again by that same means test because of the government's failure to deal with this point in this piece of legislation.

I must now move on to the other aspect of this bill. Despite the critical comments that I have made, I still welcome the portions of Bill C-194 that deal with the escalation of pensions that have been put in pay as a very desirable piece of legislation. From my standpoint, this aspect is good in itself. It is also good because it sets a pattern. I hope that the Canadian National Railways will be the first to follow this pattern, and that if there are any other emanations of the Crown that need to do so, that they will do likewise. Further, I hope it will not be long before all pensions do the same. Indeed, I want to see it made clear in our pensions standards legislation that a pension is not a pension unless provision is made for escalation. But I say, I welcome this part of the bill.

With respect to that part of the bill that alters and amends—in fact completely recasts—the pension plan for Members of Parliament, I must say this aspect takes the edge off my enthusiasm for this bill. Let me say immediately that I do not think that these wide, sweeping changes should be in this bill at all.

It is perfectly all right to put in this bill, as the President of the Treasury Board said on December 19 he would do, a provision relating to the escalation of pensions of retired M.P.'s, those who are out now. It is also perfectly proper to provide that the pensions of members who are now in the House, once they go out, will also escalate in the same way that all civil service pensions will escalate. But to incorporate in this bill a complete revamping of the M.P.'s pension plan at a time when we are doing only one thing for everybody else does, I suggest, if I may put it mildly, make us look a bit ridiculous.

Although that view may not be shared very widely in this House, I suggest that from the outside the serious question will be asked: How is it that we can do only one thing for all the others, namely escalate the pensions, yet for ourselves we can recast the whole plan, making it much more generous than most other plans that one can find in the pensions field? There are two completely different aspects here. There is what is being done for the civil servants and public employees generally; then there is what is being done for us. I think that it is unfair to us to have put this total revamping into this one bill. I suppose I feel something like some of my friends to my right and my left felt when we had the omnibus Criminal Code bill before us. They did like some of it and did not like the rest. They wanted the bill divided. I argued with them that they could not very well make that claim because, after all, there was a report stage when hon. members could single out those parts of the bill they did not like, move the appropriate amendments, and test the House on them.

[Mr. Knowles (Winnipeg North Centre).]

• (4:20 p.m.)

Having said that, I think it will be clear that this is what some of us have in mind with regard to this legislation. We have no option, because we want this increase for the retired civil servants, and we want them to get this in April. We have no option but to support the principle of this bill at this second reading stage. But in the standing committee and at the report stage, some of us will be asking that the bill be made just a bill doing one thing, namely escalating all pensions but leaving the question of dealing with M.P.'s pensions as a separate matter altogether.

Even apart from the question of having the M.P.'s pension plan dealt with separately, which seems to imply that maybe some of us are merely stating an objection to the way it is being done and not to its substance, I want to make it clear that I speak for myself and some of my colleagues when I say that we are opposed to the substance. Not all of my colleagues agree with me on this and they will have a chance to state their views. But most of us feel that, particularly in the light of today's conditions, and particularly in the light of the austerity that is being preached, as well as in the light of delays in dealing with old age pensions and war veterans allowance, what is being proposed for us is far too generous.

Where can you find a pension plan where for any period of time you get 3½ per cent credit per year? With the 3½ per cent per year after the first ten years plus the other arrangements down the line, it makes it possible in 25 years to reach a maximum of 75 per cent. Our civil servants take 35 years to reach a maximum of only 70 per cent. Just on the surface of it, I suggest that is too generous. I might say at the same time, though of course this generosity was in our plan before in that a 60 per cent pension provision for our widows was provided, while the civil service plan still provides only 50 per cent. Yet,

we are reopening our plan and making changes in it. Why do we not reopen theirs?

Then, there is this whole way in which our calculations are to be made. Some of my colleagues feel more strongly about one point in this bill than they do about anything else in it, that is the provision that from now on our $6,000 expense allowance is to be called indemnity for pension purposes. How many times have we tried to tell the press and the people of Canada that the reason we do not pay income tax on that $6,000 is that it is not salary, it is not indemnity, it is expense money? Now, we turn round and say that for pension purposes this is salary and we are going to pay our pension contributions on our full $18,000, and have our pensions based on that full amount as if it were all salary.

Under the present pension plan the maximum possible pension is $9,000 per year, and that figure was arrived at as being 75 per cent of $12,000 salary. Incidentally, under the rules of the present pension plan nobody could ever get to that $9,000. It would take 30 years on today's rates of pay. For some of us who were here when the pay was a lot lower it will take closer to 40 years. Whether I will be welcome around here for 40 years remains to be seen.

An hon. Member: You are, Stanley.

Mr. Knowles (Winnipeg North Centre): I thank my hon. friend. Now, we have decided that we are going to allow a maximum pension of $13,500 which is 75 per cent, not just of our salary but of this whole $18,000, and it is going to be possible to achieve that amount in 25 years if you are a private member. It is going to be possible to achieve it in about 13 or 14 years if you are a cabinet minister.

I know that what sounds generous now will not sound generous ten years from now. I know when we brought in the first pension plan, it was to be for a maximum of $3,000. This sounded terribly generous but some of our friends who are out now know it is not. Apart from that, I suggest that we are destroying a myth when we say that the $6,000 expense allowance, for pension purposes, is now salary. I think if we are to do that in this bill we ought, in the same bill, to say; all right, because this is salary we will expect it to be subject to income tax.

Mr. McCleave: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I was waiting a minute for some "hear, hears" to that.

Mr. McCleave: I said "hear, hear".

Mr. Knowles (Winnipeg North Centre): Good. There are some other areas of generosity in the bill to which the President of the Privy Council referred rather quickly. I think what we are doing for the senators is really out of this world. There are some of them in the other place who were given the option five years ago, within a year of the passing of that bill or within a year of their becoming 75, to choose between staying in the Senate for life or getting out and getting a free pension of $8,000 a year. Some chose one and some chose the other, but now some of those who chose to stay have changed their minds. They would like to get out and get a pension or establish a pension for a potential widow. So, we are opening the option. We are giving them the best of both worlds. They have had five years of full pay and full membership in the Senate; now they can get the pension.

Every pension plan I have had anything to do with has had options in it which some of the people in the plan would like to get reopened. Railway workers all over the place have made such requests, and civil servants are asking that the six year option be open to them instead of the ten they were on before. We are not opening this option to those people but we are opening the option for the Senate.

There was the other option announced today that a senator can say now at age 45 or 50 that he will retire at 75. Even if he is one of the old timers and does not have to retire, he gets the option of obtaining this pension opportunity for a potential widow. These things are very nice, but this seems to me to be generosity running wild. Maybe there is one thing about this bill that I should welcome. Maybe it strengthens my case for the abolition of the Senate. There are 14 vacancies there now. These pension provisions will undoubtedly produce another half a dozen, maybe more. In addition to that, because of the rather generous pensions that are possible in this House you will not need the Senate any longer as a place to appoint defeated M.P.'s because they will be able to live on their pensions. These pensions could be better than the indemnities Senators used to receive. Maybe there is that merit in this bill, that it will strengthen the argument for abolition of the other place.

Let me turn now to another point that concerns me about having this whole question of improving our position before us at this time. How many times in this session have requests

been made from this side of the House, and occasionally from that side, for something to be done for our old age pensioners and war veterans? The right hon. member for Prince Albert (Mr. Diefenbaker) asked one of his questions again today. He was told he had asked it before and he got the same answer. The answer today was not precisely the same as we usually get. Most often the answer is that these things have to wait until there has been an over-all review of social security. They have to wait until the white paper on social security has come down. Why is it that we do not have to wait for that same review? Why is it that our pensions can be improved before we have the white paper, but old age pensioners and war veterans must wait until that review is down with no guarantee that when it is down there will be any recommendation in it which will improve their position? Therefore, because we are not at the same time doing something to increase old age pensions, and because we are not at the same time doing something to improve the position of our war veterans, I do not think we should be proceeding on this package by which we are more or less doubling our pension provisions.

• (4:30 p.m.)

I think we should now be providing for ourselves only the escalation changes we are providing for all the others covered in this bill. I think the whole question of the age at which these pensions are payable is a question which the President of the Privy Council did not answer satisfactorily. It is the one recommendation in the Curtis report which seems not to have been carried through; that is, that our pensions should not be payable until age 55. It seems to me it is pretty generous to have the pensions available any time one has six years' service, no matter at what age he might have started. This means pensions for persons in their thirties and forties which can be as high as $5,000 or $6,000 a year for life. The hon. member for Malpeque (Mr. MacLean) said there is a certain amount of generosity in all this. I think there is a great deal of it. We did not integrate the Canada Pension Plan with ours. We put it on top; we get it as well. And, if we reach the age, we also qualify for the old age security pension.

Altogether, I think we are going just a little too far, particularly at a time of austerity, at a time when people are being asked to exercise restraint and when we are told that we should do something to fight inflation. I will be told that this does not affect inflation; that these are pensions which will not come into effect until a few years from now and that therefore they cannot affect inflation now. But I submit this does have a psychological effect if the country gets the notion that those fellows in Parliament are doing their best to improve their position—the public knows we have a committee considering salaries and that we are upping our pensions—because they may say let us all do it. Why have restraint? Why hold back? The Prime Minister (Mr. Trudeau) says the trouble with inflation is that in such a period those who can protect themselves do so. So, they do not worry and do not really fight the demon inflation. Well, it is pretty hard to say we are not protecting ourselves by this kind of legislation. Therefore, I think we should have second thoughts about it; I think we should delete the provisions for increasing our own pensions at this time.

I have just one more point I should like to make. I admit it is a general, philosophical point to which I alluded a while ago when I strayed off into a scriptural quotation. I think in western society we are coming to the realization that there are some things we thought we could go on doing which we just cannot do. We cannot go on polluting our rivers, lakes and air forever. We cannot go on multiplying the number of automobiles we have and expect our society to be one that will even stay alive. By the same token, I do not think we can go on with the notion that the way to solve the problem of poverty is to raise the incomes of those at the top. To some extent, we have brought up the levels of those at the bottom, but every time we bring up a little the levels of those at the bottom we raise the upper levels still higher and the gap gets wider. The gap between the wealthy and the poor in Canada today is wider than it ever was. The gap between the wealthy nations and the poor nations, despite all the external aid we have provided, is getting wider.

I think we must start narrowing the gap. We must slow down the pace of increase at the top until those at the bottom catch up. I would be preaching in the wilderness if I were to suggest that we bring those at the top down, but I think we must slow down the pace of their increase and raise the level of those at the bottom, even if it hurts. Therefore, I believe someone should give leadership in this sort of thing. If there is any group in Canada that should be giving this leadership it is the Members of Parliament. I think we

should be cautious about these motions to increase our salaries, our pensions and other benefits lest we simply widen the gap and lose the respect of the people of this country and their belief that we are seriously trying to solve the problems of poverty and want in this country.

So, Mr. Speaker, it is obvious that I feel pretty strongly about this matter. I have tried not to shout or use emotional or strong language about it. I have attempted to be reasonable. I shall continue to take that stance in the Committee on Health, Welfare and Social Affairs. The fact that this bill is being referred to that committee is an interesting switch. I knew about it an hour before we came in the House today. I agree with the switch, but what interests me is that if we were to do anything about old age pensions this is the very committee to which we would be referring that matter, but no such reference is being made. That matter, says the government, has to wait for the white paper on Social Security.

So, in that committee, while we shall be dealing with our own pensions we shall not be dealing with the pensions of the people of Canada generally. Some of my colleagues feel so strongly about this that they would like to vote against the bill. I hope they can be persuaded not to do so because I do not think we should do anything to prevent the 80,000 federal superannuates receiving their increases in their April cheques. The hon. member for Malpeque said he has learned that the pay offices are already writing the cheques in the higher amounts. I am glad to hear that, and I hope we will get through the part of this legislation which affects these people so that the cheques can go out on time. We must not stand in the way of that. For that reason, for the sake of 80,000 people who need their increases, I am prepared to support the second reading of the bill and its reference to the committee.

Mr. Macdonald (Rosedale): Good.

Mr. Knowles (Winnipeg North Centre): My hon. friend says "good". I hope he will say "good" to the next thought. I shall plead in the committee, and I shall plead when we get to the report stage, for another look, a new perspective in respect of what we are doing. Thought might have been given to improving our position reasonably and justifiably, but not to the extent that we so widen the gap that the people of Canada wonder whether we really are concerned about those at the bottom, those on the war veterans allowance and the old age pensioners.

I shall end where I began, by saying that I was delighted on December 19, 1969, with the announcement of the increase in the pensions of retired civil servants. I am delighted today that that announcement is now taking legislative form, but my delight is dimmed by the fact that we are going too far in the improvements we are making for ourselves.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it has been a pleasure to listen to the thoughtful exposition of the President of the Privy Council (Mr. Macdonald) and the philosophical approach of the hon. member for Malpeque (Mr. MacLean) that this is a problem of great concern to a large number of Canadians. To a certain degree, it was interesting to hear the views of the hon. member for Winnipeg North Centre (Mr. Knowles) with whom I served on a joint committee of the Senate and House of Commons which dealt with this particular matter a number of years back. It is interesting to note that on Tuesday, January 10, 1967 this House empowered that particular committee to inquire into and report upon the matter of pensions paid to retired civil servants or their dependants under the provisions of the Public Service Superannuation Act. Then, as time went by, our terms of reference were broadened for us by the House so that we could consider the pensions of former members of the Royal Canadian Mounted Police and former members of the armed forces. That committee, under the chairmanship of the hon. member for Ottawa East (Mr. Richard), held eight meetings, heard 21 witnesses and then with remarkable speed was able to report back to the House and to the other place on May 8, 1967.

The committee unanimously recommended that six things be done. Perhaps it would be worth while to read the portion of the report in which the recommendations were made almost three years ago. The committee recommended:

(a) it should be capable of quick and early implementation in the form of legislation in the next session of this Parliament;

(b) any adjustment in pensions should not be limited to a particular date of retirement and should be in addition to any other increase already granted under the Pension Adjustment Act of 1959;

• (4:40 p.m.)

I pause there to note that it only took the government of the right hon. member for Prince Albert (Mr. Diefenbaker) some one

and a half years to come to grips with the problem. It has taken the government of the present Prime Minister (Mr. Trudeau) and his predecessor almost ten years.

The report continues:

(c) It should maintain the principle contained in the present legislation that benefits should be related to length of service;

(d) It should conform to the principle that any adjustment formula should take account also of the time which has elapsed since retirement;

(e) It should take into account the increase in living costs during that period of time; and

(f) It should increase the ceilings in the 1959 Pension Adjustment Act.

As I said, with unanimity and after those meetings, on May 8, 1967, the joint committee reported to the respective Houses. Since then, the members of that committee, myself included, have sat in frustration wondering when something was going to be done. On December 19, we heard the announcement from the President of the Treasury Board (Mr. Drury) that something would be done. Hence, the measure before us now. As I understand from the explanation of the President of the Privy Council, and as I read the special report by Dean Curtis, it is apparent to me that we do not propose to give ourselves or the people of the other place anything. We are going to pay for what we receive under this legislation.

The scheme that is proposed for us is actuarially sound, and I would be very interested to know whether the hon. member for Winnipeg North Centre (Mr. Knowles) has had his enthusiasm dulled or blunted by it. I wonder what other formula he would suggest, instead of throwing to the gallery some sort of general suggestion or hint that all is not well in Parliament and that in some underhanded way we are dealing with benefits for ourselves. I say, sir, that this plan is established on the best of actuarial principles, and when the government rejected the concept of retirement at the age of 55 it was suggested that a pension could be obtained earlier. The very sensible provision was made to tack on another .5 per cent to pay for that benefit to those who did not wish to wait until the age of 55. However, according to the mortality statistics of the hon. member for Malpeque (Mr. MacLean), some of us have no chance of reaching the age of 55. This may be true, knowing the burden that my colleagues on all sides of the House face with an aggravated situation in the committee system. I, myself, am supposed to be at two committee meetings at this time, and would be at one of them if I did not have to be here. I do not think that one could apply to us, in view of the very special hours that we work and the very special responsibilities that we have, the concepts that one would apply to people in grey flannel suits in the suburbs of Canada who live nine to five lives. So I feel no twinges of conscience about the formula that has been devised for members of this and the other House. It is actuarially sound and I think also just.

I do have some question in my mind about the formula by which civil servants now working help, in effect, to underwrite the increases for those who are retired. Let me not be misunderstood on that point. I do not quarrel with the increases rising up to 42 per cent for those who are retired. I think that is justice. I am only sorry that it did not happen at least three years ago when the committee to which I referred made its report. But the fact is that it should be a matter of principle for Parliament and the government that nobody now working should be asked to assume a part of the load for those who are retired. I agree that civil servants, the RCMP and members of the armed forces should pay for their own increases at two percent per year. They should pay into that fund because, on an actuarial basis, they will be receiving the benefit from it. But there is a portion of the increased levy that will be used to pay those who are retired, and I suggest that that sum should be paid out of the whole treasury of Canada.

I further make the argument—and I did raise it once in the House—that to proceed as the government has proceeded with the retired civil servants by putting part of that burden on present civil servants in effect makes the present employees of the government subject to a special tax. I say, sir, that all of us should be paying that tax. Why do I make that argument? Am I just in making it at all? The statment is that some of the money being raised by the special levy will go to help those who have already retired.

When the President of the Treasury Board (Mr. Drury) made his announcement to the House on December 19 of last year he listed a good number of points, but that particular piece of information was not given by him. However, in January of 1970 the personnel policy branch of the Treasury Board secretariat made to the bargaining agents in the public service proposals regarding public service pensions. I obtained in Halifax the copy of them that I am now holding from one of the bargaining groups. I also believed that

other Members of Parliament should enjoy this special information, and notice of motion for the production of papers No. 361 on our Order Paper dated February 3, 1970 requests:

That an Order of the House do issue for documents sent by the Personnel Policy Branch, Treasury Board Secretariat, to those groups which are the bargaining agents for employees in the Public Service (including Armed Forces and RCMP), relating to the statement of the President of the Treasury Board on December 19, 1969, in the House of Commons concerning extra benefits for superannuates.

Neither the minister nor anyone has as yet tabled that particular document. I cannot understand why, and I regard that as a discourtesy. I asked for a document to be tabled well in advance of this debate, so it could be made available to all Members of Parliament who have not had the advantage of reading the document that I happen to have in my possession. I am surprised that the government did not accede to my request.

What does the paper say with regard to this point? I am saying again that it indicates the government is putting a special tax—which may be minute—on those still working to cover those who are retired. At page 3 of the document I referred to it, it is stated:

The entire amount at the credit of the Superannuation Account is required to meet the liabilities undertaken with regard to the purchase of the basic pensions payable under the Public Service Superannuation Act. There is no surplus in the account which could be used to pay for the increases to present pensioners. Consequently, the escalation funds have to come from the plan's contributors—the federal government and its employees.

Farther on, the following statement is made:

Initially, the additional contributions will be seen as offsetting increases in pensions already in pay. But the plan looks both forward and back.

There are only a very few civil servants in Canada, apart from those who do the active bargaining with the government to obtain these collective agreements, who are aware that they are in fact being asked to pay what I call a special tax. This aspect was never put up to them, in any way, shape or form. When I raised the matter in the House of Commons initially there were some members of the press who saw me about it afterwards. Apparently, they did not think the point was of sufficient importance to bring to the attention of the people, for example of the Ottawa area, where there are a great number of public servants. Yet to me, it is an important matter of principle.

• (4:50 p.m.)

I state again that I don't object to the increases, but I think the increases for those who have retired from public life and are entitled to the benefits under this bill should be a matter to which all taxpayers of Canada should contribute. This special increase properly looks after those who will retire later on but, in my opinion, improperly helps bear the cost for those who have retired already.

There are several other points I think will bear examination in the committee. I note that there is provision in the bill for military and civil servant retirements that are enforced by the mental or physical condition of those being retired. However, as I read the bill there is no provision for those who may be compulsorily retired, that is those people in the public service and in the Armed Forces who are being pushed out before their normal terms of service elapse when they would expect to draw whatever pensions were available to them. And I think that this is a point, particularly with the government having a retirement policy that is somewhat aggravated in these days, that we will have to follow up.

I regret, too, that the government could not have persuaded the Canadian National Railways or its predecessors, the Intercolonial Railways—I think there is a Prince Edward Island Railway in there as well—to give some increased benefits to their retired employees. But perhaps by setting the example in this bill, the railways can be persuaded to take steps that a normal, good intentioned employer would take.

Sir, I can say that I welcome the bill with the exception that I still think it is not a dangerous but a wrongful principle to impose a special tax, as I have argued is being imposed in this case and as I am sure I will be able to prove in the committee when we study the bill, or have somebody prove it for me. But I welcome it. I think it is long overdue. These steps should have been taken at least three years ago, and should have been taken as a matter of principle by the government and by Parliament to keep faith with their retired employees in these inflation infested times.

Mr. John Gilbert (Broadview): Mr. Speaker, it is not my intention to speak too long on this Bill, C-194, but there are a few aspects with which I would like to deal. I might say at the outset that I have not heard any criticism thus far with regard to the escalation of

increases of 2 per cent, with a maximum of 42 per cent to retired civil servants, RCMP officers, and to judges and so forth. I rather welcome that, Mr. Speaker, although I might say that in the last few years the cost of living has not increased 2 per cent a year; it has increased 4 per cent and 5 per cent a year. I would hope that the government, in its generosity, would take a second look at that 2 per cent increase and possibly raise it to 3 per cent in some cases.

I thought that the hon. member for Winnipeg North Centre (Mr. Knowles) had an excellent point with regard to those retired civil servants whose pensions are not sufficient and who have to depend on the War Veterans Allowance to get by. If perchance these people are deprived of the increase by a deduction from the War Veterans Allowance, I think the government again should give serious consideration to prevent this happening to these people who have given a great deal of service over the years.

Now, Mr. Speaker, when the hon. member for Winnipeg North Centre said that December 19 was one of the happy days of his life because of the announcement by the President of the Treasury Board (Mr. Drury), I could fully appreciate why he was happy. Speaking as a member who has been here from only 1965 to the present I can say that, in that short period of time if there is any person who has pursued the rights of old age pensioners, retired civil servants and other people who need the protection of Members of Parliament, it has been the hon. member from Winnipeg North Centre. When he said, rather in jest, that he would hope to be here for 40 years, and I said, "You are more than welcome, Stanley," I meant it, because if there is any person in Canada who has given prestige to Parliament it has been Mr. Parliament himself. He has contributed not only in debate and in procedure, but by his exemplary life he has shown to Canadians the type of people who represent them in Canada. I think December 19 was a happy day for him, and we as members share it with him.

In his criticism of the second part of the bill he said it appeared to him the government was being overly generous with regard to the pensions of members of Parliament. I might say that I was impressed by the hon. member from Malpeque, (Mr. MacLean), who told the members of the House that a study of Members of Parliament over the past few years revealed that only 1.5 per cent have reached the total of 25 years for the purpose of having the full pension, and that only 10 per cent have served for a period of 15 years. I think that this is a very important aspect, Mr. Speaker, and I shall continue at eight o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Skeena (Mr. Howard)—Indian Affairs—Northern Quebec—Transfer of jurisdiction over Eskimos; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—External Affairs—Withholding of contributions to United Nations Birth Control Program; the hon. member for Moose Jaw (Mr. Skoberg)—Housing—Construction by Polymer for Low-income groups.

It being five o'clock, the House will not proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, private bills, notices of motions.

PRIVATE MEMBERS' PUBLIC BILLS

PILOT TRAINING FLIGHTS CESSATION ACT

MEASURE TO ELIMINATE TRAINING FLIGHTS AT INTERNATIONAL AIRPORTS

Mr. Tom H. Goode (Burnaby-Richmond) moved that Bill C-33, respecting Pilot Training Flights by International and Regional Air Carriers at International Airports in Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

• (5:00 p.m.)

He said: Mr. Speaker, the underlying purpose of this bill is to restrict pilot training flights by international and regional air carriers at international airports in Canada. It provides that, subject to the provisions of section 17 of the National Transportation Act, the Air Transport Committee of the Canadian Transport Commission may order the cessation of all such training flights.

I am sure many hon. members will realize the pressing need for legislation such as this to provide a measure of relief, small though it may be, for those living in communities surrounding international airports all across the country. However, during this debate today I will deal mainly with the problem as it affects persons living near the Vancouver airport in my constituency of Burnaby-Richmond, although similar situations have existed, or do now exist, at the other international airports in Canada.

Broadly put, the problem would be said to be one of pollution—noise pollution. Now, since the first airports came into existence, aircraft noise has been a source of irritation to persons living nearby. When bigger, more powerful aircraft, especially jet airplanes, began to fill Canadian skies the problem became more and more acute. Nowhere has this been more true than at the Vancouver airport. It is now almost 39 years since greater Vancouver's first airport was opened on almost the same location that the present $32 million terminal complex now stands on Sea Island in the municipality of Richmond. In the intervening years, the original airport which boasted a single 2,400 foot long runway and a total land area of 475 acres has grown to a base which includes more than 3,000 acres and has a main east-west runway 11,000 feet long. This growth was made necessary by the very great increase in the use of the Vancouver facility. Vancouver international airport is one of Canada's busiest centres of aviation activity. In 1967 it recorded 112,826 aircraft movements. Included in this total were 86,000 scheduled flights carrying 1.8 million passengers.

Therefore, Mr. Speaker, it is not difficult to appreciate that with such a great deal of air traffic the seemingly inevitable noise problem has increased accordingly. This fact has caused very real hardship to those persons living in relative proximity to the airport. It is, to say the least, very difficult to live anything like a normal life when jet aircraft are constantly in flight just overhead. But these people of whom I speak are reasonable people. They fully understand and appreciate the vital role which air transport plays in our society. They do not wish to stand in the way of the advances our technology has produced. They merely ask that we begin to turn this technology to the task of solving some of the problems that earlier advances have produced.

Undoubtedly one such problem is the question of noise caused by aircraft during landing and takeoff. I remain unconvinced that this government is moving quickly enough to force commercial carriers to adopt vitally needed noise abatement measures for jet aircraft engines. Nor is it advancing rapidly enough the required research program in the whole field of noise pollution. Nevertheless, some progressive steps have been taken. For example, I give credit to the Minister of Transport (Mr. Jamieson) for instituting new aircraft noise abatement measures at Montreal international airport. These measures involve the curtailment to an absolute minimum of aircraft movement to and from Cartierville airport which, I might add, was for five consecutive years Canada's busiest airport in terms of total traffic.

This curtailment permits increased use of the runway on the northwest side of the Montreal airport which means that many flights which had been using the southeast runway and passing over a dense residential area, are now making their approaches and departures over the Cartierville airport and the less built up area adjacent to it. As a result, there is a substantial reduction in noise in Ville St. Laurent, a highly concentrated residential area. I have asked the minister, and do so again, to implement similar action on Sea Island at the Vancouver airport. There are presently plans to construct a second major runway at the airport. If these plans are brought to completion, many flights which at present land and take off over the residential areas of Richmond could be diverted to the new runway with the result that approaches and departures would take the aircraft over the Fraser River and adjacent industrial area rather than nearby homes. The present delay in constructing this new runway can not be tolerated any longer. The target date of 1975 is completely unacceptable to this member.

As I have said, Mr. Speaker, the persons living near the Vancouver international airport are reasonable people with a reasonable request. They want the government to see that the same advanced technology that can produce such flying wonders as the 365-ton Boeing 747 is now turned to ensuring that the noise factor from these jetliners is kept to the absolute minimum. They recognize that increased air service is both necessary and desirable. With this necessary service there is, unfortunately, bound to be for some years to come a certain degree of discomfort from aircraft noise. This fact is accepted. But note here that I have said "necessary service".

There is one practice, one further addition to the general level of hardship, which neither they nor I think should have to be endured. This practice is the use of Vancouver international for pilot training by commercial carriers. My bill seeks to eliminate this additional burden.

CPA is presently the worst offender with regard to pilot training flights at the Vancouver airport. This company conducts 34 per cent of its training flights there with only the most rudimentary restrictions on flight activity. At this time their training flights are subject only to a voluntary effort to avoid noise sensitive areas. How effective have these voluntary efforts been? Allow me to quote, Mr. Speaker, from a letter I received concerning an incident which occurred one evening late last year. My constituent wrote:

> I would ... like an answer why CPA when it was training this night at precisely 8:06 p.m. dove at my house with a four-motor jet, cut the engine power back, let the jet sink then gave full power to the engine and flew off into the dark.

Another letter which came to my office in January read in part:

> Take note that CPA jet No. CF-CPS drove us nuts on Saturday, January 10, 1970, from approximately 9:00 a.m. until noon, and on January 11, CPA jet No. CF-CPI from approximately 7:00 p.m. until 10:00 p.m. Also on the latter date the jet made two extremely low passes over our houses, cut engine power and then gave it full power. These passes were at 7:40 a.m. and 8:40 a.m. Sunday morning.

It seems clear enough, Mr. Speaker, that these so-called "voluntary efforts" CPA is supposed to be undertaking are not enough.

Now I recognize that the company has need to conduct a pilot training program. The argument of myself and my people is not against training flights per se, we just cannot understand why Vancouver international must be used for such flights when there are facilities which are, or soon can be made, adequate at airports near less highly populated centres. One such facility I should mention is Abbotsford airport which is already used as an alternate air field when Vancouver international is fogged in.

Even if CPA would agree to eliminate weekend flights as a gesture of concern, and a show of good faith to the community, feelings might not run so high on this issue. My opinion and that of the residents of the area is that weekends are an especially undesirable time for these training flights, especially on Sundays. For some families Sunday is the only day they have to rest and relax. To be awakened at 7 a.m. on a Sunday morning by aircraft noise is not only an unpleasant experience; it is an abrogation of the individual's right to peace and quiet in his own home. One lady wrote to me as follows:

• (5:10 p.m.)

> On Sunday we rarely ask people to visit, because in the last year the weekend air traffic has made normal conversation impossible. The same situation applies to phone conversation, you don't chose to do the phoning at your own convenience, but rather when the fewest jets will be passing over.

However, CPA has rejected any plan to do away with week end flights. I have put this proposal to CPA on a number of occasions, but as the replies have not been positive we have no choice but to seek approval for legislation which will make it possible for an agency of the government to force commercial carriers such as CPA to do what they should already be doing as good corporate citizens. This is the aim of the bill before this House.

As I said earlier, Mr. Speaker, my remarks have concentrated on the conditions at the Vancouver International Airport but the basic issue under discussion, that of noise pollution, is not just regional in nature. Its scope is nation-wide. Therefore, I hope that this bill, as one measure that should become part of a total program to combat this form of pollution which threatens not only our physical health but our mental health as well, will receive wide support from all sides of this House of Commons.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, at the outset may I congratulate the sponsor of this bill for his concern on behalf of his constituents. Indeed, noise is a form of pollution around airports. In Canada and throughout the world, this form of pollution is becoming very serious and methods must be found to control it.

The sponsor of the bill has not introduced a measure dealing with noise, or with noise as a form of pollution. The bill suggests indirectly that noise is a form of pollution. The purpose of the bill as set out in the explanatory note is:

> —to restrict pilot training flights by international and regional air carriers at international airports in Canada.

I said the other night that a bill introduced by a colleague of the hon. member from British Columbia was good in intent but wishy-washy, and neither clear nor definitive. The same might be said here. Considerable attention has been given to pollution from noise,

and much information is available to those who are interested in finding it. Airlines are constantly striving to reduce the noise of their aircraft's engines, particularly around major airports, but stopping flying training at international airports and moving it to regional airports such as Abbotsford is certainly not the answer to the problem. May I say that if the people in Vancouver, Toronto, Montreal, Calgary or Edmonton object to flying training in their areas, we shall be very happy to accommodate training pilots at Halifax International Airport, because every time an aircraft lands or takes off it means that money is left in our economy; and we welcome that. Perhaps that remark may sound facetious; at any rate, we would welcome flying training activities in the Halifax area.

Although I congratulate the hon. member for his concern about the people living off the end of one of the busy Vancouver runways, I suggest that what he is advocating or suggesting is not really possible. It may be very desirable; by the same token we may all like to drive Cadillacs, but we do not all have Cadillac incomes. Flying training is a very necessary part of transport and communication in Canada today. With the ever-increasing jet traffic at our airports has come the vital need of making absolutely certain the pilots of these aircrafts are competent and completely familiar with changing techniques that may involve new methods of blind approach as well as operations in the air traffic control tower.

Briefly, Mr. Speaker, the basis of my concern is the tragic mid-air collision a short time ago at the airport the hon. member referred to and the reaction of the people who viewed it. There is no indication of what caused the accident and we must be careful not to assess responsibility and blame. The best way to avoid accidents like this is by constantly upgrading the capability of local traffic controllers and the pilots who fly not only private aircraft but the regional, national and international air carriers as well. Air traffic control towers at our international airports report to Ottawa an ever-increasing load factor. Perhaps I might put on record one or two statistics that will support in a general way what the hon. member is attempting to do. I have in my hand a service bulletin of the Aviation Statistics Centre, put out by the Dominion Bureau of Statistics. The document is dated October, 1969 and bears the number 8705-501. It reads in part:

> In 1967, 7,304 civil aircraft registered in Canada with a valid certificate of airworthiness, flew 2,136,614 hours.

That is an awful lot of flying in anybody's language. I continue quoting:

> Of this total 2,098 commercially operated aircraft flew 1,400,625 hours or 65.6% and 4,722 privately owned aircraft amassed 643,118 hours or 30.1% of total hours flown.

These figures have increased by substantially more than 14 per cent since October, 1969. I, therefore, suggest that the increased air traffic at airports has increased and not diminished the necessity for our constantly upgrading the skills of pilots. Most experienced pilots need to take what are known as check rides every so often. As airports become more congested, senior and advanced pilots must be able to upgrade constantly their flying skills and techniques, and to practise simulated approaches at our airports. Department of Transport statistics indicate that in September, 1969, there were 8,603 simulated approaches in this country, whereas in the previous year there were only 7,170. In other words, simulated approaches are increasing at the rate of 1,500 per year. Many of these approaches were undertaken to upgrade the skills of commercial pilots; some were check rides, and others were undertaken to break in, so to speak, new pilots.

• (5:20 p.m.)

It is impossible to overstate the necessity to maintain the high level of safety that both Canadian Pacific Air Lines and Air Canada have achieved. These pilots must train in airports where there is total control in terms of the ever-increasing amount of traffic at the airports involved. This can only be done at fully equipped airports. In addition to a tower, it is necessary to have precision approach radar as well as fire and crash crews standing by. These men train in highly sophisticated equipment. Although it is dangerous, it is a procedure that must be followed if the pilots of our national carriers are to maintain the very high standard that the Canadian air traveller enjoys today.

Another point I wish to make is that training in flying aircraft must be done in the safest possible manner. While it may be a bloody nuisance to the people living at the end of a runway to have planes flying overhead at eight-thirty or nine o'clock at night, the fact is that this is probably the safest time of the day to do this training. This training should not be carried out during the peak hours. I refer to early morning, mid-morning, mid-day peaks as well as the rush hour between four o'clock and six o'clock p.m.

These are the times when the airports are congested and when there is a maximum amount of operational activity.

Perhaps the member feels the situation has become a serious problem. Possibly an airport should be established somewhere in Canada, maybe in the Prairies, where this type of training could be carried out with the conditions at our international airports being simulated. All material necessary in the event of an accident or emergency could be available at such an airport. However, such a plan would be very costly. This may be the reason the hon. member did not suggest it in his bill.

The bill has merit, although I frankly do not know where our national or regional air carriers could carry out their flight training if this were not done at our international airports. I do not know what other airports in Canada would have the necessary facilities. For these reasons, I feel I must oppose the bill. We recognize the traffic loads at international airports are ever-increasing. The question of safety is much more important than the question of noise, although noise has a prominent place in connection with airports.

I wish to make a further observation about airports and training activity as it applies to the private sector. The Canadian Owners and Pilots Association, which represent virtually all private fliers in Canada, contends that the public image of private flying and the suggestions of near mid-air collisions, etc., is not very good. Indeed, it has been harmful to what is a very healthy and stable Canadian industry. Official government accident investigation reports originating in the United States on collisions between airliners and private aircraft have shown that, in some cases, the airliner overtook or was on a collision course with the private aircraft. Therefore, we must be careful what we do. We must not do anything that will downgrade or cut back the amount of time available to train pilots of our national air carriers. They must be constantly prepared to cope with private aircraft.

Because of the highly sophisticated manner in which our national air carriers operate, and the very lagging ground support facilities, we must be very careful not to move too quickly on bills that would in any way restrict the amount of supervised and controlled time that even some of our most senior and experienced national and international pilots require. They require this training as much as anyone else.

No matter how serious the hon. member might be about the problem of noise, I suggest it would not be in the interest of the Canadian travelling public if this House were to prohibit in this type of flight training at the only airports where it can be carried out.

[Mr. Forrestall.]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it is not often a member introducing a private bill indicates so clearly his reasons for presenting the bill. If this bill is passed, I am sure it will eliminate the problem with which he is faced. However, it will accomplish little other than to meet the objections of the residents who live at the end of runways.

The problem is the lack of urban control around airports. I remember when Malton Airport was considered to be a long way out in the country, yet people have been allowed to build around that airport. It is now like a downtown airport. These people have a legitimate cause for complaining about the noise, but I feel the noise is only beginning. When the new supersonic jumbo jets come into operation later this year, those people living within eight or ten miles of the airport will find the noise totally intolerable. Instead of just finding the noise objectionable, they will be blown right out of their beds at eight o'clock on a Sunday morning.

I agree with the previous speaker that pilots must be trained in the type of aircraft they will be flying. There are only a limited number of airports in Canada which have the sophisticated equipment necessary for training. We have not restricted training flights on this type of aircraft, nor have we restricted training flights on much larger aircraft. I am referring to the initial pilot training that is undertaken.

Hon. members will recall reading a week or so ago about a very unfortunate accident which occurred in British Columbia where a small plane apparently collided with a commercial aircraft. Happily—if I can use that term in connection with a disaster—it did not have a more detrimental effect on commercial aircraft, otherwise the toll might have been considerably higher.

• (5:30 p.m.)

This is a problem that occurs when training aircraft use an international airport. For this reason I think many members of the House have been pressing on previous occasions for an extension of airport services in order to allow training at other airports. I think most people would agree that an international airport at a busy time of the day is not the place for somebody to practise circuits

and bumps, even in a sophisticated aircraft. This should be done at a time when the airport has the least possible traffic; and I presume this is the case.

If the hon. member is sincere about protecting his constituents who live in close proximity to the airport, then is he not concerned about another matter that is progressing very rapidly? A few miles north of the city of Montreal at Ste. Scholastique the government has decided to build a new international airport. In my opinion it is useless to build the airport there because it will not offer any greater advantage than an extension of the airport at Dorval. I can remember when Dorval was some way west of Montreal. I suggest 10 or 15 years from now Ste. Scholastique will be almost downtown Montreal.

People who are buying real estate around our airports are not being given any protection. Certainly this is true at Montreal. If we build a new international airport 20 or 30 miles north of Toronto to handle supersonic jets, we will find houses being built around the perimeter of the airport just as soon as it is put under construction. Similarly, I am sure people now buying lots around Montreal will be only a few minutes drive from this proposed new international airport.

How much more sensible it would be to build an airport 50 miles north of Kingston, in country that has no particular value for anything else. An airport at this location could handle intercontinental, supersonic jets and the government could buy up a 20 or 30 mile area around the airport and enclose it with a fence. In that event there would be no houses within the perimeter of the airport.

Mr. Danforth: That makes good sense.

Mr. Peters: The hon. member says that makes good sense, and this is probably the greatest objection to its acceptance. There is another objection. Canada does not know how to provide speedy ground transportation facilities. The Japanese would find no difficulty in supplying ground transportation that would get people in one hour either to downtown Montreal or to downtown Toronto. I am sure many members would say that the transportation would have to stop off at all the points along the way, but the Japanese would not see it this way. They would decide to provide a train or some form of ground transportation that would move people at 300 miles an hour with no problems at all. We do not do this sort of thing.

No one really knows what sort of impact aircraft noise will have on people; no one is aware of what is the noise factor around an international airport in terms of long-range damage done to human beings. How much worse will this be when planes are travelling at 1,500 miles an hour, twice the speed of sound, and making landing approaches at speeds beyond the speed of sound: sonic booms will create a noise tunnel across the whole area. Yet no arrangements are being made to cope with this problem. Although the supersonic jets are not with us today, they will be with us soon.

It seems to me that the hon. member, who is interested in protecting his constituents who live near the international airport, is doing something on their behalf and is to be congratulated to that extent. I suppose people living, say, around Abbotsford airport would have similar objections and that their Member of Parliament would suggest that the airport should be moved to Sea Island, for example. This would be a great place for an airport; if international flights ever landed there, the weather would probably be so bad you would not be able to see the mountains and passengers would have to spend a couple of weeks there.

No matter where an airport is sited, urban growth must be restricted within the airport's proximity. It seems to me that if we built an international airport in eastern Canada to handle intercontinental air traffic, both feeder aicraft and ground transportation could be employed. In my opinion, Ste. Scholastique was chosen as the site of an airport to appease Quebec: it is a big donation to Quebec.

Mr. Mahoney: Funny way to appease them.

Mr. Peters: Sure it is a funny way to appease them, but it will backfire very badly. This is a beautiful part of the country and tourism has developed there better than in any other part of Canada. Although it is a funny way to satisfy some of the aspirations of the people there, I do not hear Quebec politicians kicking about it. All they see is the vast amount of money that will be spent in that region. Things will be different once the airport becomes operative. They will have to listen to the complaints that our friend from Burnaby receives; and I would remind hon. members that noise pollution from supersonic jets far exceeds that from any jet flying today.

Anyone who has read articles on the level of noise created by these new jets will agree that the only way we can eliminate this kind of noise pollution is to build airports in areas where people do not reside. Moving an airport a few miles north of the city of Montreal will not provide a noise-free environment for the people there. I am positive that the same is true in the case of Toronto. The views of the Toronto members seem to be the same as those of the Quebec members, though they are not quite so vocal. The decision to build a new airport in Quebec has already been made, whereas in Toronto it has not. There is a growing feeling among people in the city of Toronto that they do not want a noisy airport there, and no airport will be built there if some Toronto members can do anything about it.

From his own constituency point of view, the hon. member appreciates the problems that are involved at a modern airport in eliminating noise. If the hon. member has taken the trouble to read about the problems that are developing in the United States because of noise, and has examined some of the estimates that have been made in France and other countries which are in the market for supersonic jets, he will be aware that the problem to which he has referred is nothing compared with the problems that will confront us in a year or two. If the hon. member wants to look ahead and solve the problem of noise pollution at airports, a noise level which has become almost unbearable at busy international airports today, he will have to afford a protection that can only be achieved by moving supersonic jet airports away from any urban congregation of people.

• (5:40 p.m.)

This is a little bit like the argument that takes place in high school when they ask you: What is sound? If a tree fell in the bush and nobody heard it, would there be any sound? I do not think there would be any sound pollution in the proximity of an airport provided we did not have people living near the airport. The people who work on the airports are not so stupid. You see them going around wearing big earmuffs with headphones inside them. The Compensation Board says they must wear them or they will not receive compensation for damage.

If supersonic jets are to land at airports in areas where people live, there will be damage done to human beings. I suggest that the hon. member consider these additional problems which will plague him and all those concerned with international, supersonic travel. I suggest he should provide protection to the general public by making it impossible for urban development to take place in close proximity to airports. I should like to see this bill pass, not only because of what it contains —it goes some way in the right direction, although I think other arrangements would have to be made for international carriers training their pilots in the use of sophisticated equipment—but because I would like CP Air to be told at least once by Parliament that there is something it cannot do and that it is not a law unto itself. This in itself makes the bill worth while.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, this bill gives me a very good opportunity to register my serious doubts about the method proposed by the hon. member for Burnaby-Richmond (Mr. Goode) to solve the real problem. We all agree there is a real problem. Nobody likes noise, and for those who are living very close to an airport the noise creates almost a medical problem. No one likes the air pollution that jets are causing.

So we all know where I stand now, rather than thinking I may stand in one place and suddenly be surprised at the end of my speech—as we were a few moments ago—I want to say I could not vote for this bill, if it reached a vote, in its present form. Even though it might be a bit of a thrill to kick an elephant in the rear end, or slap a bear and run away, or whatever it is that the hon. member was proposing to do to CP Air, it would still be too inconsistent an act for me to pervert myself by voting to pass it just for the pleasure and thrill of kicking the giant in the shins.

I was interested in the observations we just heard about the Ste. Scholastique airport. If the people of Quebec honestly do not want an airport at Ste. Scholastique—

An hon. Member: Who says so?

Mr. Osler: The NDP spokesman for Timiskaming (Mr. Peters). I suggest perhaps he could make this a party plank or something of that kind and test it in that way. I think if he really feels this way, this is one occasion when I would thoroughly back the NDP and do everything I could to promote the idea. I am quite sure the people of Quebec would be no more happy to have the airport north of Kingston, and would be probably less happy than having it north of Ste. Scholastique. If we are going to move so far away from that

area, and also move the Toronto airport to north of Kingston, I will back any movement made in that direction. I would amend this idea slightly by suggesting we should go the whole hog and move out to God's country where we have clear skies and pure air. We could have one international airport for all of Canada and we would not give a damn about all the noise that could be made.

Mr. Joseph Guay (St. Boniface): Mr. Speaker, I wonder whether the hon. member for Winnipeg South Centre (Mr. Osler) would permit me to ask him a question. I must give a preamble by suggesting I did not hear the last few words of his remarks. Perhaps they had something to do with my question. In view of what was said by the previous speaker, and what he has said, that many Canadians are concerned about the noise of aircraft, would he agree with me that we could probably have an international airport in the keystone province, say in Winnipeg? I am sure we could solve all the other problems with which we are concerned elsewhere in Canada if that were the case.

Mr. Osler: Mr. Speaker, my colleague, the hon. member for St. Boniface (Mr. Guay) is right, as he usually is. Unfortunately, in this event at least he is right too late, because I have already made that suggestion. I will not fault him in that respect because it is better to be right late than not right at all. I would welcome any movement that would result in such a happy situation. I think we could even have the auxiliary airport built at St. Boniface. The main airport happens to be in Winnipeg South Centre.

Perhaps this will not be considered as a serious suggestion at the moment, but the point is that a tremendous amount of investment has been made on behalf of the people of Canada in major airports in this country. Last year alone there was a net expenditure of $149.6 million in air services by the Department of Transport running airports, air lanes, meteorological services, etc. These services are tremendous. They are always lagging slightly behind the demand, but they are very definitely second to none and we can be proud of them. About 45 per cent of the expenditure by the Department of Transport was on air services and was in the neighbourhood of $149 million. The Department of Transport handles something like 1,048,000 instrument flight rules procedures. Some of these would be in respect of training, but some would not. These airports are superbly equipped for training.

I have no sympathy at all for the motion of the hon. member, although I have great sympathy for the constituents who have bugged him about the subject. It is not their fault they bought houses near the airport. It would not be their fault if they bought houses near any airport. I think this is the fault of the municipal authorities who allow real estate developers to get away with murder. They should not be allowed to sell good industrial land, or land good for any purpose other than residential areas, to people for the purpose of building houses and raising families.

I remember when the Winnipeg International Airport was opened at Stevenson Field. This was a beautiful pasture at the north end of town. I can remember when Sea Island was a heck of a good farm for seagull eggs. So it is not the fault of the DOT, the government or the people of Canada that land in the area of airports has been used for residential purposes. The real estate developers have come in and persuaded people to live in areas where they should not be living. There is lots of room in Canada and they could have expanded in other areas.

I know of one airport, which I will leave nameless for the moment, in respect of which extreme pressure was put on a politician to see whether he could get the DOT to release some land right next to the end of a runway. This happened quite recently. It was wanted so that a developer could go ahead with a residential development. It was not going to be used for factories or anything else. The Department of Transport would not release the land on the basis that within the foreseeable future it might need it for an extra runway, in which case the development would be on the flight path. I do not fault the Department of Transport for that; I fault the real estate operator who intended to use the land to make some money when he could have used land somewhere else and done just as well.

• (5:50 p.m.)

Once people have purchased a home and are involved in a mortgage, there is not much they can do but grin and bear the noise. I suggest it is unfortunate for these people and I sympathize with them, but the way to attack the problem is not to interfere with flight training. Airports are for flying; they are for aircraft and airline use; they are for pilot training, air force overhaul work and anything to do with aircraft. They are not necessarily for sleeping, nor is the environment around them for sleeping. There has not

been any jet training in the Winnipeg area. We did have the headquarters for the non-jet training of Air Canada, and the Viscount training is still carried on there. We would be delighted to have anyone come there.

If others do not want CPA, we will take it and even issue earplugs to the people living in the area. We will be delighted when Trans-Air receives its jets as a result of the service which it has just been granted. They will have to carry out some training. I hope there is a great deal of training. So far as I am concerned, the more training the better, especially when I am a passenger.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question?

Mr. Osler: Yes.

Mr. Knowles (Winnipeg North Centre): Will he arrange that that training be over his constituency, rather than over my constituency?

Mr. Osler: Mr. Speaker, I would be delighted to do this because with my usual luck, nature will help me. If the hon. member will allow me to arrange it, 80 per cent of the time I shall be glad to do so because the wind rarely blows from his constituency.

Some hon. Members: Oh, oh!

Mr. Osler: It may in the House of Commons, but in the state of nature it very rarely blows from his constituency. Therefore, we have to bear the brunt of it when we have a warm southerly wind, but the people are in a good disposition then. When we have cold north winds, they take off over the Prairies and it is not too bad.

Mr. Knowles (Winnipeg North Centre): The hot air comes from the south.

Mr. Osler: Yes; there are quite a few rural constituencies to the south where there is a good deal of hot air. I would be delighted to have pilot training in Winnipeg if the CPA wishes to go there. I would ask the hon. member for Burnaby-Seymour (Mr. Perrault) to convey this information to CPA the next time he has an argument with them. I do not know whether CPA is being a little intransigent about this matter, but I am told that at the Winnipeg International Airport those who take part in flight training co-operate; they restrict their training hours to between eight o'clock in the morning and nine o'clock at night and therefore are not seriously bothering anybody.

[Mr. Osler.]

The run-up, on the mechanical end, for engine testing and so on complies with the same regulations. So the only time noise can be really objectionable at our airport is when a test pilot is testing an engine that has just been overhauled. He may do a take-off and throw in his after-burner: then there is a noise. But I suggest airports are for this sort of thing. It is better that he do this and find out whether or not it works, rather than do it later when he has a whole crew of highly trained airforce personnel on board, or many passengers if it should happen to be a commercial aircraft.

I would have been much happier about this bill and would have been able to give it my complete endorsement had the hon. member gone one step further and thought about the situation as a whole rather than the local irritation in his area. If the hon. member were to suggest that the federal government should get seriously behind research into noise and research into pollution to see how these things could be ameliorated in this industry, I think the federal government could do a great service not only to all the constituents but to the area as a whole. But I am against this feeling that it is necessary to pick on pilot training, the airlines or anything else.

I remember being in McLeod, Alberta, which had not seen much prosperity for years, during the war when I was engaged in flight training and was officer in charge of the control tower one night when we received a barrage of telephone calls from people. We had changed to Harvards or some other aircraft and had made a lot of noise. The callers said "You are making a lot of noise and are keeping us awake with the aircraft up there". Our standard answer was, "Whose are they; are they ours or theirs?" They would say, "I guess they are yours". We would say, "Then why don't you get down and thank God and not complain about it?".

There is too much pressure right now, in my opinion, about establishing noise abatement procedures. As an ex-pilot I am not always happy when I see a fully-loaded airplane pulling up short and cutting off power so that people on the ground can feel comfortable; they would feel a lot less comfortable if the procedure were not carried out and the whole load were dumped on them. I think that sometimes we look at the noise abatement procedure a little too intensely. Sometimes I feel it is too bad this bill is not a bill or a motion to get the government behind

research into the causes, rather than a bill just to look after a local community.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I feel very much like I feel in the morning when I wake up early and wait for the alarm clock to ring. I am convinced, as always, that my colleague has prepared a bill with his usual good intentions. However, it would seem to me that the many speeches we have heard from members of the House invalidate the relevancy of the bill. I should like to make a brief statement. There were 10,080 flights at the Vancouver Airport in December, 1969, and only 212 simulated approaches. There would appear to be a lack of education in respect of aviation. People do not realize that only certain airports can be used for training. Of course, the international airports have all the sophisticated equipment and the necessary procedures to handle training flights.

The Acting Speaker (Mr. Béchard): Order, please. The hour reserved for the consideration of private members' business has now expired. I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

MEASURE TO SUPPLEMENT PENSIONS

The House resumed consideration of the motion of Mr. Macdonald, (Rosedale) (for the President of the Treasury Board) that Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gilbert: Mr. Speaker, this afternoon I commenced my remarks on Bill C-194 by saying that I would make a few general observations and not a lengthy speech. I pointed out, with regard to the first part of the bill which deals with the 2 per cent escalation in the pensions of retired civil servants, RCMP officers, judges and other persons, that there appears to be very little objection to it even though under this bill people who retired in 1952 would receive a 42 per cent increase in their pensions. I think most people realize that over the years these people have suffered as a result of the increase in the cost of living.

The hon. member for Winnipeg North Centre (Mr. Knowles) stated that December 19, when the President of the Treasury Board (Mr. Drury) made the announcement, was a happy day. The hon. member had a right to be happy because over the years he has persistently set forth the legitimate claims of pensioners across the country, and more particularly those of civil servants.

The hon. member's persistence has paid off: he had the right to be happy on December 19. He pointed out that some retired civil servants may have suffered if their pensions were so low that they had to avail themselves of the war veterans allowance. If this increase will result in a reduction in the war veterans allowance, I think the government should take steps to take care of the situation.

With regard to the second part of the bill, which is the recasting of the pensions of the Members of Parliament, if I understood the hon. member for Winnipeg North Centre correctly his main objection to it was that the benefits which would be conferred upon retired Members of Parliament would be too generous. I could point out to the hon. member that a similar plan exists in the Ontario legislature, the members of which receive roughly the same benefits as those proposed for the Members of Parliament on their retirement.

It may be said, however, that two wrongs do not make a right. I follow this up by saying that the hon. member for Malpeque (Mr. MacLean) made a very salient argument this afternoon when he pointed out that surveys have indicated that only 1.5 per cent of the members of the House will have had 25 years of service which would entitle them to a pension of 75 per cent of their salary, and that only 10 per cent will have attained 15 years of seniority. That is quite indicative. I am sure the hon. member for Malpeque knows it is not only political attrition that takes place with regard to Members of Parliament and is a hazard of being a Member of Parliament. Physical attribution also takes place, because Members of Parliament today

are not to be compared with those of 25 years ago. Some 25 years ago the members of this House sat for three, four or five months of the year. We now find ourselves sitting for eight, nine and ten months of the year and facing a very heavy burden of work.

• (8:10 p.m.)

I noticed in the Toronto *Daily Star* of last weekend that the hon. member for Greenwood (Mr. Brewin) set forth his life for a week in Parliament. He said he was only able to spend approximately eight hours in the House and the rest of his time was taken up with work in his riding taking care of immigration problems, pension problems, unemployment insurance problems, housing problems, and so forth. I am sure all members here tonight would say they do roughly the same.

Not only do we work in the House during the week in regard to legislation, in committees, the study of legislation, reports and so forth, but when we return home on the weekend we are faced with constituents' problems which take many valuable hours in the following week to process. So the hon. member for Greenwood made it on the editorial page of the Toronto *Star* last week setting forth the hard work of a Member of Parliament, and with that I completely agree.

The hon. member for Winnipeg North Centre used a biblical passage and said that the result of the increase in pension to Members of Parliament is much like the biblical saying, "To him that hath, more shall be given; and from him that hath not, that which he hath will be taken away." I am rather surprised that the hon. member for Winnipeg North Centre would use that scripture because I am sure he realizes that the Galilean carpenter was not speaking about money at that time: he was speaking about faith and spiritual grace. It may be the hon. member got his spiritual figures mixed up. As a young socialist, Mr. Speaker, feeling the difference between the old socialists and the generation gap, I thought he could have used a more appropriate scripture and said, as the Galilean carpenter said, "I come that you may have life and have it more abundantly." Today we young socialists have to think in terms of surpluses, and the distribution of the surpluses is so important in society today.

When you think of what we as Canadians are doing with regard to the surplus of wheat, I think we stand condemned for not distributing the surplus to underdeveloped and underprivileged countries. One thing about the old socialists is that they came up in times when there were shortages. We are now in times of surpluses and technological change, and it is up to us to distribute these surpluses to the advantage of all people within the community.

There is one further point that my hon. friend raised this afternoon. He said that there appears to be a widening gap between the people who have and the people who have not. He has fought over the years, with a determination and a might which really fits him in with the saints, Mr. Speaker, for the principle of universality of pensions. I have looked at the problem of universality and I have read a little of what has happened in England. Sir Richard Crossman, who is head of the social service program in England, has pointed out that universality in itself has not closed the gap between the rich and the poor and that all our taxation methods just have not been effective. It may be that we will have to get different ways and means of distributing the goods of society so that the gap will be closed. I could not agree with the hon. member more that the gap must be closed, but I say to him that we must look at the universality principle. He may think it is political heresy for me to say so, because he fought so hard over the years to attain it and it would not be fair to him to dismiss it lightly, but I think we Members of Parliament have to look at the problem closely.

I shall close by saying that there is a certain joy in getting: there is also a certain joy in giving. If a member of this House feels he is getting too much in his pension, he can have the joy of directing the surplus to any project or effort that he deems worthy. It is obvious from my remarks, Mr. Speaker, that I support the bill along with other members of my party and I also respect the views of the people who are in disagreement but on balance I am sure when reason takes its full account, it will be seen that what is being done in this bill will benefit many of the members, because basically we must not only have a salary but we must have a pension scheme to attract the talented young men in society today.

It is not enough to have the spirit: you must have the talent. Many people who are talented are making far higher incomes and receiving far greater pensions in the other fields they are pursuing. To benefit society we have to get these men into Parliament to discuss and to solve the problems of society.

This measure is a first step in giving a person some security with regard to income and pension, a step that will make the job of legislator far more attractive.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the reason that we are considering this bill this evening results from one fundamental difficulty. It is a matter to which I have referred on previous occasions, and that is that the programs of the pensions for the public service, the Royal Canadian Mounted Police, the armed services, the Members of Parliament and others subject to this bill have never been funded. In other words, while there is such a thing as a public service superannuation account and an armed services superannuation account as book entries, the payments therefrom are a charge against the Consolidated Revenue Fund.

There is no segregation of actual moneys, no fund invested in the hands of trustees, and there is no growth in the fund due to investment. All that there is is the provision of the contributions from members to each of these pension funds, and the contributions of the appropriations by the government. Then in view of the progressive increase in the cost of living over the years and the very natural demand, and the right thereto, by the participants in any of these pension funds to increase their return so as to meet the exigencies of the day and maintain the standard which had been promised them, there is an undertaking that when you give a man a pension scheme, you will give him a standard of living. There is that implication, and it has been denied.

• (8:20 p.m.)

I recall—I believe it was about 1958—that this House gave an increase in pensions to retired public servants and, I believe, the Royal Canadian Mounted Police for those who retired prior to 1953 and whose pensions were below a certain level, which I think was $3,000. This was a sort of bandaid operation and I think it was wrong not to tackle the problem properly. Mind you, there were other problems in 1958 which I think would have caused a terrific change. It seems to me that the more we delay, the more difficult will be the change-over.

Doing it this way, with a provision for an automatic cost of living escalator which is fixed, if we continue with the present scale of inflation—and there is no guarantee that we will not—there will be a mounting deficiency each year of something in the nature of 3 per cent or almost 4 per cent. This means we will get the same pressures in a matter of a few years. However, if there had been a funded program for these pensions, there could then have been determined actuarially the increase in the amount of the pensions based upon the increase of the funds through earnings, and therefore through capital appreciation. The funds should not only be in government bonds because they have gone down tremendously, particularly in the past two or three years.

In any event, we would not have this fundamental difficulty of having to come along at this time in order to relieve the very real distress of those thousands and thousands of members of the public service and the armed forces, the Royal Canadian Mounted Police and also, unfortunately, many of our colleagues who have departed from this place, or their widows, who are living in relative penury today. All sorts of ad hoc arrangements have been made to take care of some of the cases to the point that what we had up to a few years ago was scandalous, and it is just short of that now.

We are now asking the public service—ourselves in a different way, but let us say the public service—and the Royal Canadian Mounted Police to pay an additional premium into a separate account which I suppose one could call an inflation account. It will put into a separate account an amount which will be then paid to those persons who are the most deserving under the scale proposed in the legislation, where the cases are the hardest. It will also provide that the present members of the public service and the Royal Canadian Mounted Police who will retire in the years to come will have this automatic 2 per cent escalator, all because of the additional premium that they pay.

There have been many criticisms of this, but the fact that the pension schemes are not funded is, frankly, the nature of the beast. We simply cannot say to the public service, "All right; for those of you who have retired and whose pensions are below a certain level there will be ex gratia payments or there will be subventions, subsidies to your pensions". If that were the case, there is an equally strong case to ask, "What about all the CNR employees who have retired?" Their fund is somewhat different, but in justice if you do it for one class of pensioner you must do it for another.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): It is a subsidy from the public charge but, Mr. Speaker, why only two groups? You must go along to every pension scheme—

An hon. Member: Oh, no.

Mr. Lambert (Edmonton West): I hear "Oh, no". What greater qualification has a member of the public service or the CNR than a member in a private scheme?

An hon. Member: It is up to his company.

Mr. Lambert (Edmonton West): Was it up to the CNR, which was a private company to that extent?

An hon. Member: It is not a private company.

Mr. Lambert (Edmonton West): It is a private company to that extent; it is a Crown corporation run like a private business and its pension scheme is a funded one—this is the point—and it is one of those that is causing a great deal of difficulty. I do not think you can justify subvention from the public accounts by way of an additional expenditure to increase the pensions of one particular group without giving it to others. They are all citizens of this country; they have all been taxpayers; they were all subject to the same conditions and expectations, whether in the public service or otherwise. So this scheme that has now been devised for the public service will of itself take care of the problem of an additional impost on pensions and pension credits over the next few years. I do not think that is the answer, but I say it is much better than nothing. I hope that before too long we can get around to putting some order into this pension scheme.

Let us look at the other aspect, as to amounts. I think this question can best be discussed in committee. There probably will be representations about whether the provisions as to particular categories of retired public servants and the RCMP will qualify. I think that will have to be determined in committee.

The other day, Mr. Speaker, I asked the Minister of National Defence (Mr. Cadieux) whether there had been a memorandum in existence and circulated among departments which indicated there might be a proposal to postpone service pensions until age 65. The minister has not come back with the explanation but merely told us that initially at least it was never proposed to defer service pensions to people now in the service until age 65. I know that under unification there were some breaches of contract between the Crown and a lot of the volunteer servicemen but never, I think, would any administration attempt that.

• (8:30 p.m.)

Yearly increments in the increases announced by the President of the Treasury Board (Mr. Drury) shall not apply to the armed services, apparently on the premise that servicemen retire before the age of 65 and are able, because of their training and capability, to obtain positions in the economy to take care of their needs. And even as within the public service, all the pension they are entitled to is not charged to them because of the limitations of these so-called artificial and completely obsolete restrictions that one cannot draw twice from the Crown, once by way of pension and once by way of salary. This restriction is so completely obsolete and wrong that it is stupid.

As a matter of fact, in our own pension plan we deviate from this restriction because we have a provision in our pension act whereby a former prime minister is entitled not only to his pension as a former member but to another one for being a former prime minister of this country. I agree that he is entitled to that, but there are two pensions arising out of two positions. I find it singularly artificial to distinguish between two men, one, say, a former Member of Parliament taking a position as a district court judge and being told that the pension he has earned as a member of this House has been suspended, and another who takes employment with the provincial government as a senior police magistrate at the same or higher salary than that of a district court judge and who may keep his entire pension. What an anachronism, Mr. Speaker! Is the Crown in right of Canada any different from the Crown in right of the province of Ontario? For some unknown reason this silly rule is applicable here. I want to see some changes made in this bill, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): I want to see a provision that any pension that arises from service in this House shall not disentitle to the extent of even one penny any pension that an hon. member on retiring from this House shall receive by virtue of taking an appointment with the federal government. Why should a competent lawyer who has been a Member of Parliament for 10 or 15

years and is appointed to the bench, where after 15 years he is entitled to a pension—and I point out he need not contribute to it—equivalent to 70 per cent of his retirement salary, not receive both pensions?

The lawyer who has been in this House for 15 years and worked hard has lost his practice, just as any doctor would lose his practice. He has not accumulated any capital. Shall he go to the bench in competition with men straight out from practice? Of course, the compensation and conditions must be equal, and they are equated by the fact that we are provided with some form of retirement scheme. Why should not a member who is a lawyer retire from this House and go, shall we say, to the Canadian Pension Commission—some have gone there—or the Immigration Appeal Board? The former Minister of Justice has just gone to the Immigration Appeal Board.

An hon. Member: Include the Canadian Transport Commission.

Mr. Lambert (Edmonton West): Yes, or the Canadian Transport Commission. I know the former member for Hamilton West is now in the employ of the Canadian Transport Commission.

Mr. Monteith: In the employ of Jack the Ripper.

Mr. Lambert (Edmonton West): Nothing is wrong with that. But for goodness sake, if any men or women who have been members of this House take an appointment under the Crown, they ought to be entitled to be paid their full salary as well as the pension they earned from serving in the House. They earned it. It was one of the conditions of being here, just as there are similar conditions in other types of employment. To negate this in this day and age is so anachronistic that it goes back beyond the horse and buggy age. I hope that in committee appropriate amendments will be introduced so as to remove this disability. I think that would be only fair.

Let us look at the changes in our pension scheme. There are also anachronisms there in the definitions. In one part we see that only $12,000 shall be deemed salary, and in the other part we see $18,000 mentioned; in other words, the expense account in the one case shall not be deemed to be salary but in the other case it shall. There are difficulties here and I trust some way may be found to clean them up. Perhaps the changes in the pension scheme put the cart before the horse because the necessary changes should take place first with regard to members' salary levels, to make them more realistic.

I refer hon. members to the report of Dean Curtis of Queens University dealing with pensions. It was tabled some weeks ago. That report ought to be compulsory reading for members of the press, for those in radio and television and particularly for editorial writers. So many editorial writers seem to think that the pension scheme for members of this House and the other place, and I have read this several times, is the most liberal—with a small "l"—and generous pension scheme in the country. What abysmal ignorance, Mr. Speaker!

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): What abysmal ignorance, Mr. Speaker, to call our present pension plan the most generous in the country. One ought to examine the tables compiled by Dean Curtis indicating the narrowness of the base and comparing the figures with those applying to our counterparts in the United States. It is almost impossible to compare the two, because their annual salary is terrifically high compared with ours, although I think their responsibilities vis-à-vis their constituencies are not different from ours. I am not saying our salary should be as high as theirs, not at all. After all, $42,500 is so far and away above us that it is almost as far as the moon. One must also remember that members down there employ nine or ten people in their congressional and constituency offices. If we reduced the matter to our scale I think we could perform much better, and I think our work would be much better done in this House.

An hon. Member: We should also pay much more in taxes.

Mr. Lambert (Edmonton West): I do not know if anybody has put on record some of the tables compiled by Dean Curtis. The comparisons made between the pension scheme in this place and those in the provinces, particularly Ontario and Quebec, are interesting. A comparison of tables dealing with the period of service is surprising. I was absolutely astounded to see the tables. Mind you, there were many fine members here in 1957 when I came to this House.

An hon. Member: That was a bad year.

• (8:40 p.m.)

Mr. Lambert (Edmonton West): Mr. Speaker, that may be the impression of hon. members, but I consider it a banner year. Some of my colleagues who are very fine people came to this House at the same time. When we consider how many members who were here at that time are still here, and how many were elected that year or in subsequent elections and served only one or two terms, some of them very short, we see that the composition of the membership in this House is a vastly changing one. I commend to hon. members the tables published by Dean Curtis in this regard. They show that at the time of the 1968 election there were only 24 members with more than 11 years' service. This represents 10 per cent of the membership of the House. This causes one to stop and consider the reason.

We expect men to come to Parliament to represent the people in their area. Once they are here, they find they must work the year round. For many of them it is at the cost of their businesses. A personal business will go down the drain because there is no such thing as riding two horses or obeying two masters. Either the job is done here, or in the private business. If they attempt to do both jobs, Mr. Speaker, the job here is not done and the job at home is poorly done. As far as the professional men are concerned—lawyers, doctors and engineers or others—whose business is more personal, because of continued attendance in this House, unless their business is close by and they can keep a finger on things, within less than five years the capital of their profession has gone down the drain.

I am certain there are members from all parties who are raising young families. They have a responsibility to their families. If we want to get a broad cross-section of members, the conditions must be such that we will get younger members who can participate in normal family life as much as possible within this calling. This must not be a club of the wealthy or the aged.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): It must not be for those who think this job is something greater than they could anticipate on civvy street. All of the conditions that apply must be involved in the pension scheme. I have made some suggestions with regard to the necessity of cleaning up this anachronistic situation of a non-funded pension scheme.

[Mr. Lambert (Edmonton West).]

Reference has been made to the difficulties of the personnel of the armed services and the Royal Canadian Mounted Police. When they retire before age 65 they are not able to get normal employment with the federal government. This cannot be done in many cases without there being an alteration of their pension. However they can take jobs with any provincial government at the same salary they would receive from the federal government, and their pensions would not be affected. We would like to have some of these men working in the federal service. There should not be a penalty for those retired members accepting appointments with the Crown. Their pensions should not be suspended or merged into the salary attached to that position. I hope these changes will be made to the bill during the committee hearings and that the bill will be improved considerably.

Mr. Max Saltsman (Waterloo): Mr. Speaker, if other hon. members are like I am, they are always looking for ways to impress their mothers-in-law. When I was first elected to this House I thought that although I had never been able to impress my mother-in-law, this time I had to make an impression. Her daughter and I had grown up in a rather poor neighbourhood of Toronto. I thought she would say, "My son-in-law has gone some distance: he has become a Member of Parliament."

I went to see my mother-in-law to receive the honour which I thought was due me. I had a chat with her. Her first question was, "How is the food?" I said, "The food is fine on Parliament Hill. We have some very good restaurants." When she asked, "Do you have a secretary?" I replied, "Yes, I have a secretary." I went on to suggest that although the $12,000 per year salary and the $6,000 expenses were not the greatest in the country, they were adequate and certainly much better than most people in Canada were earning. I told her a few other things. After listening to what I had to say she asked, "But what good is it? It is not a steady job." As far as my mother-in-law is concerned, if you haven't a steady job, you are a bum.

Some hon. Members: Hear, hear!

Mr. Saltsman: Most of us do not have steady jobs; there is no complete certainty that we will be here year after year. But I suggest we are not bums; Members of Parliament are hardworking people. In the time I have been here I have learned to respect members of this House from all parties,

whether I agree or disagree with their philosophies. I find them to be hardworking people who are sincere in their beliefs. They probably do not get the kind of respect to which they are entitled. Perhaps not everyone really understands the dimensions of the job of a Member of Parliament.

I can understand those members who are in favour of the increased pension in view of the uncertainty of their lives and considering how hard they work. They may feel they are entitled to some generosity. However, Mr. Speaker, with the greatest respect I say that these provisions in respect of pension for Members of Parliament are far too generous and should be changed. They just go too far.

An hon. Member: Your mother-in-law was right.

Mr. Saltsman: This is a difficult speech for me to make. It is quite obvious there is a division of opinion between my colleagues and myself. There is a division of opinion in the House on this matter. This is not the type of speech that anyone would find easy. I do not like to take one position when some of my colleagues take a different position. This bill certainly places me in an impossible position. The fact that the government has combined the pensions of civil servants with the pensions of Members of Parliament will not stop me from voting against the bill. I certainly support increasing pensions for civil service superannuates. I think they will understand, however, why I will vote against this bill. If the bill is defeated because of the provisions regarding pensions for Members of Parliament, I am quite sure the government can introduce another measure for civil servants only which will be passed unanimously by this House.

• (8:50 p.m.)

Mr. Tolmie: Mr. Speaker, would the hon. member permit a question? Would he accept these general provisions if they were passed by this House?

Mr. Saltsman: I have been waiting for that question, Mr. Speaker. Yes, I would accept them. I am not going to make any grandstand play about not accepting these cheques. If this measure is passed and becomes law, I will take the money the same as everybody else. I am not prepared to step aside in that regard. I know I may be accused of being hypocritical in what I say since I have admitted I will accept the cheques, and I do not know how I can prove that I sincerely mean it when I say I am concerned about what will happen to the image of this House and its Members of Parliament if we vote ourselves such generous provisions. I realize I am wide open, not only to that charge but to other charges, since I have an independent income as well. I have also thought carefully about my position and about participating in this debate.

Nevertheless, I would ask you to listen to what I have to say. I would ask you to reconsider this measure when you have the opportunity to do so in committee. I do not deny that there is a need for improving the position of Members of Parliament, but I am asking you how far you can go. Can you justify giving yourself a pension the like of which nobody in our society has? Can you stand before the country having voted yourself this kind of pension and call for restraint among the working force of this country? Can you ever legislate effectively again, when you vote yourself this kind of bonus?

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member but I must remind him that he should address the Chair.

Mr. Saltsman: I am sorry, Mr. Speaker; the question from the opposite side of the House carried me away a little. I will address the Chair, as I realize I should. I am asking the hon. gentleman and my hon. friends in this House, through you, Mr. Speaker, to reconsider this matter when it goes to committee.

It seems to me that in comparing our position with the position of others, we should not be compared with lawyers and what a lawyer would make had he not entered Parliament, or with what a doctor or a businessman would have made. We know that most members of this House sustain financial losses by being Members of Parliament. But our decision to come here was a voluntary one. We all claim that we got drafted for the job, and most of us accepted this at some stage of the operation; but we chose this as our career and we came here to do a job because we felt this work was more important than the money we could have made by doing something else.

I suggest our situation is really far more analogous to that of a soldier who chooses to fight for his country. When we talk about compensation for members of Parliament, I think we should look to the way a soldier is compensated when he returns from a war, rather than to what we might have earned had we become the president of a giant corporation or headed up the biggest law firm in the country. When the soldier comes home,

we recognize the hazards of his occupation and the need for his rehabilitation. We recognize that he has given up a certain amount of opportunity and income in order to serve his country. Therefore we make a lump sum payment and give him a rehabilitation grant.

If we were to say to Members of Parliament who either retire of their own accord or sort of get carried out that they will be entitled to a resettlement grant of some kind, and to a fairly generous one at that, I think that is something people would understand because most people are familiar with this kind of operation. But when we provide that having served six years in this House we become eligible for a pension for life, that is something different.

There are many young members in this House who, say, after serving eight years as an M.P. and leaving at the age of 40 would get a pension, under these provisions, amounting to over $5,000 a year for life. Given a normal life expectancy of another 35 years, we are talking about a quarter of a million dollars for serving six years in the House of Commons. Over that period of time such a member would have contributed roughly $10,000. This is a pretty nice investment, and it will be difficult to say that you were serving your country. Members of Parliament would be looked upon as investors who invest $10,000 and get back a quarter of a million dollars over their lifetime. Such a concept is just indefensible.

The Curtis report, to which reference has been made, was a good document and I would be inclined to accept its recommendations provided that the central provision which was removed from the document is restored. That document did not provide that a member would receive his pension upon retirement from the House of Commons, but that he would get it at age 55. That, I suggest, is understandable, but not the other concept. With that particular provision taken out, you might as well take the Curtis report and its arguments and throw them out of the window, because the arguments were predicated upon that central provision. Therefore, I hope I will not hear any more about the Curtis document unless reference is also made to the pension being payable at age 55.

I have talked about Members of Parliament who leave this House at the age of 64. There is one member here who could leave at the age of 30. I do not think he will; he will probably stay here until he is 110. But if he did leave at age 30, in his case we would be talking about a pension that would be payable for the rest of his normal life expectancy of 45 years. This would involve more than a quarter of a million dollars. The pension goes up at the rate of 2 per cent a year, and this will continue because I do not think we will ever bring inflation down below its present level. I would not dare try to work out the mathematics involved and claim that they are accurate, but in rough figures I think this is about where it would stand. Therefore I ask: How we can make this kind of provision?

Canadians have a vested interest in this matter. If the electorate wanted to be cynical about it, it could do one of two things: it could make sure that no Member of Parliament served more than four years to be eligible for this kind of remunerative pork-barrel, or if a member did serve more than six years the electorate could make sure that nobody defeated him so that they would not have to pay a pension to two people.

Mr. Peters: They have it both ways.

Mr. Saltsman: Yes, they have it both ways. This pretty well concludes my remarks, Mr. Speaker. As I said earlier, it has not been an easy speech for me to make. In reaching my conclusion I probably had as much difficulty as those hon. members who disagree with me had in reaching theirs. This is a sensitive subject. It is the kind of issue that will be misunderstood no matter how it is explained. It will be misunderstood on both sides. I would suggest through you, Mr. Speaker, to hon. members that we need to take a very close look at this provision lest the image of this House and the motivation of members of this House be brought under suspicion.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I listened with a great deal of interest to the arguments advanced by the hon. member for Waterloo (Mr. Saltsman), and I must say that to some extent I am quite sympathetic to the position he has taken. However, there are a number of items about which I must disagree with him.

First of all, to tackle the central point that he raised and on which his whole argument seemed to rest, namely the question of image, whether we like it or not we in this House of Commons have to accept responsibility for deciding our working conditions, our pay, our expenses and our pension plan. If one were to accept the argument that, by increasing or by improving our pension plan and providing for legitimate expenses and a reasonable salary, we would be hurting our image, we would

still be in the position of the members of the old British Parliament where people served in the House of Commons for no pay at all and held office almost by reason of heredity.

• (9:00 p.m.)

In other words, we have to admit that our intent is to make the House of Commons accessible to all people regardless of income. This requires that a rational rate of pay be established, that legitimate expenses be provided and that the pension plan be drawn up on the basis of a Member of Parliament's existence, which is special and unique.

The hon. member for Waterloo (Mr. Saltsman) raised the question of the provision of the pension at the time of retirement of a Member of Parliament after having served for six years. The original suggestion in the Curtis report was that this should be done at age 55. I had some responsibility in this as I had consultations with backbenchers on the other side of the House. It was the unanimous recommendation of the backbenchers I consulted that this provision should be struck out, and two reasons were advanced for this. The first reason was that there is no severence pay in the House of Commons. Members of Parliament who come in, particularly if they are young, are taking a backward step in terms of their professions, are handicapping themselves several years if they go back to their professions after being retired either voluntarily or through the usual procedure, and that therefore there was an element of unemployment insurance involved in providing this pension at the time of retirement.

In addition I would say that the retirement pension does not come cheaply to Members of Parliament. The cost of the pension will be 8 per cent, approximately, on the $18,000, or equivalent to about 11¼ per cent on the $12,000 salary. So I would not say this is a particularly generous plan in that we are getting something free. It is a special plan to which we are contributing our share. It is drawn up in this way because it takes into consideration the special conditions and the special financial arrangements that surround the life of a Member of Parliament. Therefore, Mr. Speaker, if I sympathize to a large extent with the position the hon. member for Waterloo has taken because of his age and his personal finances, I find it, as a young member myself and one who is totally dependent upon his parliamentary indemnity and expenses, a position I cannot support.

In addition I would draw one other fact to Your Honour's attention. The statistics provided in the Curtis report are rather clear on the matter as to what age pensions are taken out by Members of Parliament. Dr. Curtis recommended age 55. In point of fact his statistics demonstrated that the average pension is not taken out until age 57. In other words, the statistical probability is that while some members will be able to take advantage of long years at pension, the over-all statistical average for Members of Parliament is somewhat different.

I would go further and direct the attention of members to the Curtis report at page 21 in which there is a table entitled "Length of period of membership in the House of Commons at certain selected dates". I would like to give the round figures to Members of Parliament for their edification. The figures are taken for the years 1949, 1953, 1957, 1958, 1962, 1963, 1965 and 1968. The total number of Members of Parliament with less than five years service was 886; with less than ten years, 634; with less than 15 years, 311; with less than 20 years, 132; with less than 25 years, 76; with less than 30 years, 21; with less than 35 years, 9; and with over 35 years, 1. Those are the results as of the elections in the year specified, a total of eight. If one breaks down the percentages, a great deal of interesting information appears. The total number of members with less than 15 years was 1,831, which is 88 per cent; the total with 15 years and over was 227, for 12 per cent. If you break them down a little finer you will find that about three-quarters of all Members of Parliament during that time had under ten years' service.

So it is quite apparent that if you are trying to draw up a pension plan that makes sense for Members of Parliament, you must take into consideration the high risk and low income potential and the high degree of retirement by non-voluntary means. Members of Parliament do not last long, yet in terms of their personal careers and in terms of the income which they might have made, the sacrifices which they are called upon to make are often quite excessive.

It may well be that there are other factors which should be considered. I think we should look at the statistics which Dean Curtis provided at page 20, on the existence of the present plan of Members of Parliament to find out how it works. In point of fact, the classification of allowances being paid as of March 31, 1968, was as follows: there were 177 allowances paid directly to ex-members; 7

were paid directly to widows; 20 were employed in the public service and their pensions suspended; 13 were appointed to the Senate and their pensions were suspended; and 5 were members of the House of Commons coming back again with their pensions suspended. A total of 41 members died.

Where was all the money going? It may interest hon. members to know that as of the same date there was only one member receiving a pension over $5,000; there was only one member receiving a pension between $4,500 and $5,000; there were two between $4,000 and $4,499; there were three members receiving between $3,500 and $3,999; there were 39 receiving between $3,000 and $3,499; 56 receiving between $2,500 and $2,999; 23 receiving between $2,000 and $2,499: 41 receiving between $1,500 and $1,999, of which four were being paid to widows; there were 16 being paid between $1,000 and $1,499; and there were two pensions being paid between $500 and $999, both of which were going to widows, for a total of 184 people receiving pension. On the facts of this table Dean Curtis comments as follows:

In addition, 376 ex-members received withdrawal allowances since the beginning of the plan. It can be seen from the above material that despite the theoretical ceiling the actual payments have been relatively small. Of course the plan has been in existence for only 16 years and therefore the full impact is not yet evident. But it is evident that more have left the House with repayment than became eligible for pensions. So the main conclusion is that the present level of payments cannot be called adequate. As pointed out, one of the fundamental problems with the House of Commons plan is the relatively short tenure of the members.

So the document which Dean Curtis presented to the House of Commons has investigated this matter and provided a plan that takes into consideration the relatively short tenure of most Members of Parliament. I would go so far as to say that with the increasing number of Members of Parliament who are coming from urban areas where there are fewer fixed voting habits, shall we say, the rate of turnover of Members of Parliament is likely to increase, and in fact the number of members with a small amount of time in the House of Commons is liable to be a matter of concern in the future. Dean Curtis goes on to point out:

Of the total number of cases 2,072, 1,831—88 per cent—are under 15 years service and 227—12 per cent—are 15 or over, and are concentrated in the next two intervals. Clearly the attrition of electoral and mortality factors keeps the period of services relatively low.

[Mr. Reid.]

• (9:10 p.m.)

Therefore, the dean reached this conclusion:

Thus it is clear that one of the basic facts causing the inadequacy of the Parliamentary pensions is the relatively short tenure which cannot be compared with the 25-35-40 year period of private and public employment. A straight line system cannot be adequate—a fact which is recognized in the recommendations.

So I would say that the plan presented by the government clearly takes this into account and tries to provide for it in a reasonable way. Dealing with the current House of Commons, Dean Curtis says:

—of the 1968-69 membership, 159 members have been in the House five years or less; and that some 240 entered the House within the last 11 years. This leaves 24 who entered the House over 11 years earlier. At the end of the present Parliament there will be fifteen or so with 20 years or more service. This overstates the length of service because a number of members were not continuously in the House; they were defeated and were later re-elected. Also some members entered the House by by-elections in off years but this does not distort the general picture.

I think the report of Dean Curtis is rather conclusive, but there is another matter about which I feel quite sensitive. It has to do with the treatment afforded the income of some Members of Parliament. On page 28 of the report Dean Curtis provides the rationale which has been accepted by the government and which I personally do not think is a proper assumption. Nevertheless, it is worth reading into the record because it is a serious point of contention and one into which I hope the committee will look most seriously. Dean Curtis states:

The use of the full emolument as a base—part of which is now tax free—raises some difficulties but upon examination these do not appear serious. In the first place some arrangement must be devised to increase the pensions base in absolute terms and secondly there seems to be no other group for which this would be a precedent. If the full payment is not used as a base it would require a 10½ per cent contribution by the member to get the entitlement set out.

I would point out to hon. members that the figure of 10½ per cent is not accurate because the bill provides that it be 7½ per cent plus, I understand, another one-half per cent to provide for increases for members. This represents a total of 8 per cent on the amount of $18,000. The dean continues:

Although the matter of taxation is not within the terms of reference of this report, it may be relevant to mention that some taxation problems may arise. Inasmuch as a 10½ per cent contribution on the present salary of $12,000 gives the same

amount as the 7 per cent on the salary and allowance, it would seem unimportant which technique is used. The amount in fact is less than the maximum deduction under the Income Tax Act. The advantage of using 7 per cent on the $18,000 base is that it automatically adjusts to any change in the proportions of the two categories of payment. With the salary alone the rate of contribution would have to be changed if the proportions were changed. And in view of the fact that the Carter Commission and the Smith Commission (Ontario) were both critical of the existing arrangement, this could be a matter of future importance. Further, if the salary base—$12,000—is used, this figure would have to be the maximum allowance permitted.

However, subject to these considerations, it is true that the base of contribution could be changed to the salary alone and the entitlements still be calculated on the combined return. It is simply a calculation and provided it comes out with the same allowance, the basis of making it has little significance—tax or otherwise.

This was the rationale the government accepted. At the time it was being discussed, I pressed the view that it was an incorrect assumption and one which the government ought not to accept. However, I understand the rationale from the government's point of view was that it was an administratively cleaner situation and one which caused the administration less difficulty. At the same time it has been pointed out by the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Winnipeg North Centre (Mr. Knowles) that it does raise some doubt about the separation of our expense account and salary. Therefore, it is a question which I hope the committee will investigate most seriously.

Those are the comments I wish to make particularly in respect of the points raised by the hon. member for Winnipeg North Centre and the hon. member for Waterloo. I think I have dealt with the two basic objections they raised. I hope hon. members will not hesitate to support the bill, particularly this aspect of it.

I had intended to speak on the question of CNR pensions, especially since this is a fairly important issue in the constituency I represent. I understand that the hon. member for London East (Mr. Turner) has been looking into this matter. The question which must be solved is this: it is not necessarily a legislative situation but rather a situation in which the CNR pension plan is run by three appointees from the General Chairman's Association as well as three representatives of the CNR management. It is largely a question of union negotiation and I hope it is one which unions will press with vigour.

Mr. F. J. Bigg (Pembina): Mr. Speaker, it takes courage to introduce a bill of this kind in the House of Commons, especially at a time when one branch of government is begging for restraint while another is saying we should try to do something where there is need. The devil can quote scripture to his purpose and hon. members may decide, if they like, whether I am devil or saint because I intend to refer to a little scripture myself by saying that the workman is worthy of his hire, and thou shalt not muzzle the ox that treadeth out the corn. I hope my friends to the left are listening; They know about the corn. Then I say: Lo unto you scribes and pharisees, hypocrites. You speak one thing and do another. You are willing to take the money but not the political risk of demanding that which you know is just and fair.

When we consider the spending of $15 billion of the Canadian people's money, it represents a tremendous responsibility on the part of those who sit in this chamber. They form the board of directors of a tremendous corporation, the all-powerful state. I am surprised that the criticism comes from that corner of the chamber where they bow down in their hypocrisy and believe that the people of Canada will support it. What utter nonsense! In some countries of the world I suppose we would be called commissars. Do they live at the bottom of the heap, do they have the private yachts on the Sea of Aza and the private villas on the Baltic or do they eat the caviar and drink the vodka while the poor peasants sweep the streets of Moscow. What hypocrisy, indeed! I will give you a little more scripture: I would that ye were either cold or hot.

The hon. member for Winnipeg North Centre (Mr. Knowles) has stood up once a week for the last ten years begging for a square deal for civil servants. In one form or another I have been a civil servant for many years. This is a time not to be a civil servant. I think perhaps we should have placed the question of our salaries before a private corporation of some kind. A corporation might not have been afraid to take the responsibility of seeing that members get a square deal from the Canadian people.

• (9:20 p.m.)

You might say, "You were only a policeman once and you walked the beat for 50 cents a day". Yes, I did. You might then ask, "But were you proud of that?" I fought overseas, and it is strange to be told by people who did not fight overseas about my duty to

my country. I fought overseas for $1.30 a day. Were the people of Canada proud of that? It is only in the twentieth century that the heroes of the country are denied the rewards of victory.

It is only we who are so mean as to say that those who serve the country well should take the bottom of the heap. When you say that, it is from the depths of hypocrisy because if you are worthy of your salary in the House of Commons, I do not know what your salary should be. We could not pay some men enough money to give up their time and serve here. I could give the House a good example in a man such as the right hon. member for Prince Albert (Mr. Diefenbaker). He could have made ten times the salary of any civil servant had he wanted to stay in private practice and use his great talents for his own personal gain.

I may be well paid, but I know members of this House who are not well paid. It is a poor trick to divide our salaries into parts and say that one part is for expenses, another part is salary and the third part is indemnity. A workman is worthy of his hire if he is doing a good job. I am quite sure that the people of Canada would not object to paying him a reasonable amount. If we are unable to come to a decision on what is a reasonable amount, let us hand over the responsibility of making that decision to a group of university professors, or let it be done by computer.

There are inequities right now in the House of which we are all aware and which members to my left could well point out. They would be on solid ground if they brought them up and I would go along with them in this regard. I will mention one in particular, about which I know something. How about the expense account of our member for the Northwest Territories (Mr. Orange)? Does anybody within sound of my voice think that everybody should get the same expense account as a member who covers 2½ million square miles in an area where there are no roads and no transportation facilities except for the airplane and the kayak? Should he be expected to cover the frozen Arctic on $6,000 a year when it is impossible to hire an aeroplane with a pilot for less than $200 a day, as anyone who has been there would know?

I had the great honour of being the member for Athabasca when I had only 100,000 square miles to cover. I was expected to do it on $6,000 a year. I could not do it then, and I could not do it today. This is very different from having an Ottawa riding and getting the same $6,000. One can say there is an obvious inequity there. However, I would not agree that the man who represents an Ottawa riding is getting too much, because if you got out the score sheet you would probably find that he has expenses about which my friends in the press never talk. How would anyone like three or four school buses full of people driving up to one's door? One is expected to pay for their lunches three or four times a month. This costs money.

My friends to my left talk about the just society just as much as government members. What would they do about this situation? Would it be possible for a poor labouring man to pay for the lunches of 200 school children out of his own pocket? If he were a working man, a soldier or a policeman with a very inadequate pay like I had all my life, this would be impossible.

This is the best pay I have ever had in my life. But if I am doing my work here in the House as I should, I would not hesitate to say that the people of Canada might well take a good look at what I do and decide whether or not I am overpaid. How much does it cost to be a good Member of Parliament without living in the fleshpots, doing one's work, answering one's mail and fighting an election without taking mean or crooked money? It is not one election; we have had six elections in ten years.

Are you supposed to go begging when you write a letter? Are you supposed to thumb your way through the Arctic and pick on the poor natives in the kayaks to get you around this great, dynamic, young country of ours; or should we sit in committee of the House and thrash out this thing like gentlemen? We have computers today. How much does it cost to travel through the Arctic? Let us find out, and stop this business of saying that some of us make a little more and some of us make a little less.

Everyone knows that the hon. member for Northwest Territories is in the hole very day of his life, and we are doing nothing about it. Are we going to hide behind some cheap political jargon and say, "I would not dare go the western farmers and ask them to raise my pay now, when I cannot sell their wheat"? That is quite a different problem which we should also attack. But when we did sell their wheat, our pay was not doubled. That is a very poor argument.

We are not paid on commission. If we were on commission we would have a great deal more money. We are spending $15 billion a

year. That should satisfy any socialist. If we were on commission, we would be paid a great deal more than we are at present. We should be paid for the reverse; we should be paid whenever we do not spend money on behalf of the Canadian people. Let us get into the blue for a change let us be paid on how much we take off our national debt.

Some hon. Members: Hear, hear!

Mr. Bigg: Let us be paid in a percentage fashion for the things we do positively.

Mr. Peters: Let us start with the CNR.

Mr. Bigg: This might be a good time to speak about it. For 20 years we have been looking for ideas on how to run our railways more efficiently. I do not think this can be done by nationalizing them any more than they are nationalized now. When I went overseas in 1939 in the first contingent, the railroads I saw over there were run very efficiently. Then they were nationalized, and I tried them again. This is your answer. I saw a dramatic change downhill. If I had to go to the Canadian people and say to them, "Reward me for socializing everything," I would not take anything in pay. As a matter of fact, that is one of the reasons I came to Ottawa. I did not know then how much money I was going to get when I came here. I came here because I thought they needed some honest men in this chamber who would devote the rest of their lives to cleaning things up around here. This I have tried to do.

Some hon. Members: Hear, hear!

Mr. Bigg: A workman is worthy of his hire. I did not sell the last 12 years of my life for cheap money. I defy any member of this House to say that I sold five minutes of it. If he proves it, I will resign tomorrow. Let him prove it. Not five minutes of it have I ever sold for the 30 pieces of silver which a member might want to dig out of the holy book and throw in my teeth. Let us be fair about it. Are we worth what we are getting, or are we not? If we are not, let us go home. If Members of Parliament are going in the hole steadily, and I think some of them are, what is the reason for it? Are they overspending?

Mr. Peters: We have no time to spend money.

Mr. Bigg: What is a member's take-home pay? For 10 years I have listened to references about money that I am getting for nothing. People who write these stories do not know how much I am taking home as a public servant, which I consider to be the highest honour one can receive in the country. As Members of Parliament we get a very small percentage of the salary received by some civil servants who are contributing little or nothing to the welfare of this country.

While I was sitting here making notes I made a list of some of the things we should be doing. We are responsible for the defence of Canada. Have we any defence in Canada? If we were being paid for the defence of Canada, perhaps we should take a 30 per cent cut in our pay and go home. We are here for the formation and improvement of our laws. I am not too sure that some of the laws we pass are any great improvement, despite the hard work we may have done in committee.

• (9:30 p.m.)

We are supposed to be ombudsmen for an average of 75,000 people apiece, yet the government thinks it necessary to have regional desks. If members of the cabinet need regional desks, it is because they are not working us properly, we are not working properly ourselves or we have not sold the idea of why we are here and that we are doing our job. I do not think we need regional desks. I happen to think I am ombudsman for the 77,000 people who sent me here. Maybe that is why they sent me back here five times. I say to hon. members, if you want to qualify for your full pension, be an ombudsman for your 75,000 people and they may send you back here more often than you want to come.

Then there is the question of having two homes to maintain. I have two homes to keep up. We want family men in this chamber. We don't want just bachelors; we don't want just spinsters. We want family men, who represent the greatest cross-section of the people of Canada. If you are a family man and a Member of Parliament, you have two duties to fulfil. You have to think of your family at home, the children going to school, training to be nurses or going to university. In fact your wife has to think of these things a great deal more than you do while you devote your time to the service of the nation. In return she bathes in only a little reflected glory. That little reflected glory gets less and less every time someone gets up in this House and says we are not worth the money, as more than one hon. member has done already. I would like to hear much more from men who are going into debt in the service of our country

than from men who do not have to rely on inadequate pensions because they have private fortunes, such as most of us do not enjoy.

Then, too, we have a certain amount of entertaining to do, whether we like it or not. Some of us are a long way from our constituencies and we are only too pleased, when people from home come to see Parliament Hill, to take them around. But some hon. members have busloads of people arriving, and this can become a considerable financial burden unless one happens to have a private fortune.

If you do your work as a Member of Parliament, you are responsible for the political education of the public. Any time you are asked—and it is often at your own expense—you have to go and talk to farmers, tradesmen, fishermen or any other group of people who want to hear you, who want to know how you do your work and the difficulties you encounter in doing it. One of your jobs is to keep people abreast of democratic progress in Canada. All this costs money. You cannot travel from here to northern Alberta, a distance of 2,500 miles, and back without a considerable outlay from your private resources.

The Member of Parliament is not expected to be on a salary. Nobody has ever called our pay a salary, yet that is what it is. The Member of Parliament has to put up with a broken business or professional life. But we won't be hypocritical about that. Of course I knew that was going to happen when I came down here. But putting the shoe on the other foot, do the people of Canada want me to suffer unduly, financially, if I do the job? I do not think so. I think this is one area where if you take the public into your confidence, tell them the whole story, tell them how much it costs you to live, how much it costs you to support two homes, how much it costs you personally to fight elections on their behalf—if you are not fighting elections on their behalf, why are you here?—they will see the merit in the case. After all, this is a democracy.

How many men have become rich by coming here? I know of none, and I think that is a credit to this House and to the people of Canada. Only cynical people think that being a Member of Parliament is a short cut to a fortune. I will tell you how innocent I am in this regard. I do not know any of my friends who have made money by being Members of Parliament. Such a case has not come to my attention. I am naïve enough to believe that this is representative of almost all, if not all members of the House of Commons. So, Mr. Speaker, what are we being so shy about? Unless you are a supporter of the successful government of the day when you retire, you can expect no after-reward. As a matter of fact, by being a Member of Parliament you disqualify yourself from many lucrative jobs, and in fact without loss of pension rights you cannot take a job in the direct pay of the government of Canada once you have been a Member of Parliament. This is not even logical.

I believe that Parliament is a good school for the training of public servants. If a man spends two sessions here, works on the committees, takes part in all the discussions, has the experience of meeting men from all over the country, he would have to be a dull fellow not to have learned to be a better civil servant. Yet from the very terms of our work and the terms of our pension scheme we disqualify ourselves from further service to the country.

I am not whining or complaining. I am just trotting out into the open some of the things that have been behind closed doors for too long. It should be placed on the record that we get $12,000 a year subject to income tax, which in a great many cases means approximately one-third off, resulting in $8,000 take-home pay. I have just outlined some of the expenses which no Member of Parliament can escape. Further, the Member of Parliament is donating his time. I think the people of Canada want to know about these things. Of course, I have received letters saying, "Don't you dare raise your pay. Sell the wheat first, Look after our affairs first." That is a very normal, natural, human reaction. But I do not honestly think the people mean that, particularly if they know how conscientious most of us are, the long hours we work, how hard we work and what our financial condition is.

I consider it a brave move, an unpopular move on the part of the government, to bring this thing out in the open at a time like this. The need is great to update our pay and allowances. I hope that when the measure reaches committee we will have no double talk. If the members there cannot come to a consensus to put this scheme into statutory form, I hope we will hand it over to an independent commission as soon as possible and make an attempt once more to take the whole matter out of the realm of seamy politics where I think it has been for far too long.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I hope this bill passes by ten o'clock, so I will not speak at length.

Some hon. Members: Hear, hear!

Mr. Howard (Skeena): You always get applause for that.

Mr. Peters: It is always a good way to start out, and it makes you feel good. We have heard some very good and interesting contributions, but I may let out a small secret by saying the discussions to date have not been nearly as interesting as they have been in caucus—

Some hon. Members: Oh, oh!

Mr. Peters: There has not been nearly the same heat here or the same interest in this subject. We have heard comments about the problem of raising the pension for Members of Parliament and Senators. More interest has been expressed in this part of the bill than in others, and I congratulate the government for designing it that way. A lot of people seem to favour raising the civil service pension 2 per cent per year, going back to where those who retired in 1952 will probably get an increase of 42 per cent. I think this is the part of the bill that we should be concerning ourselves with, because this percentage is not nearly high enough. If the cost of living increases 4 or 5 per cent each year, obviously we should be increasing the retired civil servants' pensions by that amount.

• (9:40 p.m.)

I hope that in committee there will be an evaluation of the need to maintain pensions at this level and that the escalator clause now established will be able to do that. However, I think before we establish a proper escalator clause in a pension plan we should see that the plan satisfies the needs of those receiving it. I suggest that senior civil servants who retired many years ago are on a pension which is not above the poverty level in most of our cities.

I have been interested in pensions for a long time. This evening there are several people in the gallery who participated with me for many years in an industry where there was no pension. That industry will probably die without there being a pension in it. Most of the people who work in it would have been willing to sacrifice wages to establish any type of pension plan. When I came to this place first, I was very interested in pressing for a pension plan for miners, for bush workers, for the forest industries and those industries in which normally a pension could not be accumulated for the simple reason that the plants did not last enough to establish the normal industrial type of pension.

I can remember speaking of the establishment of a universal portable pension in this House. Members said, "It cannot happen. We cannot do it. It is not possible." Yet countries like Germany, 30 or 40 years ago put in a pension plan that covered five countries. Even during the war when several of those countries opposed Germany they were still paying universal pensions in the five countries combined. What was the pension? When a person retired after a number of years of employment, he received 50 per cent of his highest five years' income. This enabled people to retire in decency and at a decent time.

I have been interested in some of the pensions negotiated in this country and some that could have been negotiated several years ago when the Canada Pension Plan came into effect. I remember discussing this matter with the Ontario Provincial Police who were a little apart from other civil servants in Ontario. In my opinion they would have had the right to negotiate the stacking of their pension on top of the Canada pension. This would probably have brought them considerably more than 50 per cent of their income upon retirement, but like a lot of people, and some in this House, they decided that the expenditure involved to produce that kind of pension was not justified.

Like the member who spoke previously, when I came here I did not know how much I was going to earn. I won the first election by 40 votes, so you can see that I was not overly optimistic about winning it. However, I came here without knowing what the pay was, and when I found out what it was I was very surprised. At that time we were paid $8,000, with $2,000 expenses, making a total of $10,000. That was a hell of a lot of money—twice as much as I had been earning at my job.

The job I had before that had been in a gold mine for 15 years and I earned from 65 cents to $1.09 an hour. When I left I was a raise man getting $1.09 an hour, so $10,000 a year was a lot of money to me. By that time I had participated in several elections and one day the bank manager called me and said, "My wife and I had a meeting last night and decided we are going to vote for you on Monday." I said, "Thank you very much". He

replied, "Don't thank me. If you are not elected, I don't know how we are going to collect our $5,000." I had been going in the hole for $1,000 a year for five years, so I thought $10,000 a year was a lot of money. But I was surprised how much I could spend and how many calls there were on it. I was continually going to the bank to sign another note. I think this is relevant to the extent of what one is doing and what your expenses are.

Mr. Speaker, I do not want to talk about wages but I can assure you we are going to be very important people in this country—right now we are not—if we decide our salaries should be $100,000 a year. Then we will be the most important people in this country. We may not be the most popular, but we will be the most important.

Over the years we have seen members come and go. This is an odd job; it is the kind of job where a member has to divorce himself from everything. A member who is really serving in this House—some do and some do not—has to be here before nine o'clock in the morning. I do not usually fit into that category because it is very difficult. But he should be here before nine o'clock or the staff will not be doing anything; and he should be here until the late show at 10.30 p.m. This means that he is limited to meeting the general public on the weekend if he can get to his riding for that purpose. It is not a normal job and the fact that there are only 264 members and not too many people trying for positions is an indication that it has some hazards.

Since I came here I have heard many people say that this or that cannot be done, or that the Canada Pension Plan was an impossibility. Everybody laughed at me when I raised it, but only two years later when the government said they were going to implement it, nobody voted against it. I have seen this sort of thing on many occasions. My interest, Mr. Speaker, is to win for everybody the maximum possible pension. There are many unknown quantities in any pension plan. If somebody says, "Pension plans have always gone broke and the Canadian people have to pay more money all the time," there is something wrong with the plan. We have had two calamities to our pension plans: we had the calamity of 1958 when we lost 50 per cent or more of the members, and the calamity of 1962-63 when we again lost 50 per cent or more of our members. But these are not normal circumstances. The hon. member who spoke previously said that we had six elections in ten years and the turnover was considerable in that length of time. I do not think we anticipate that situation in the foreseeable future, so our pension plan has not been a difficulty to the Canadian public, and we are making our contributions.

Some time ago, Mr. Speaker, I was offered the opportunity of participating in the pension plan of the union where I had previously been employed. That plan was five and five—5 per cent paid by the employer and 5 per cent paid by the employee. Being employed outside that plant I would have had to pay 10 per cent of my present salary of $12,000 plus $6,000. When I looked at $1,800 a year, I decided I could not afford it. It seems to me a pension plan hinges on what a person can afford to pay. No matter whether the employer is paying a share or not, it has to be paid from wages. The plan has to be self-supporting. It is not like the unemployment insurance plan where occasionally we get into a situation where we have to add money to it.

Someone asks, and rightly so, whether we should not do something about the actuarial study that regulates the establishment of that kind of fund. So long as the fund is solvent and no one can point to any error in the calculations connected with the plan, I think we ought to be able to contribute to as large a pension as we can afford.

• (9:50 p.m.)

Several factors connected with the pension plan for a Member of Parliament ought to be considered. One of them is, as Dean Curtis pointed out in his report, the difficulties members may face on being re-elected. Some members who served here for relatively short terms have been unable to find suitable employment, the difficulty being psychological more than anything else. It is hard to be at the top, then be thrown out and start at the bottom. It is much easier to work when you are at the top than when you are at the bottom. Some members who have been in this position have had difficulty. Dean Curtis suggests that perhaps we ought to give these people a generous grant for the first year after their defeat. I think the best way of doing this is by providing ourselves with an adequate pension scheme that will not cost the taxpayers additional money.

The qualifying time for a minimum pension has been reduced to six years. I think that is unduly generous because I saw nothing wrong with the three-term provision. I am amused to see people who during five years here have served three terms. When the hon. member

for Yukon (Mr. Nielsen) first came here, he fought three elections in one year. Immediately after his first election he was forced to fight a by-election, and within eight or nine months he again fought a general election. He really has been elected to Parliament three times.

Mr. Knowles (Winnipeg North Centre): I think he was elected to only two separate Parliaments in those three elections.

Mr. Peters: If Members of Parliament are willing to make larger contributions, and if the plan can be introduced in such a way that it does not impose an additional financial drain on the treasury, I see nothing wrong with it. I believe every man should be entitled to a retirement pension which will give him a reasonable standard of living. Every man on retirement should be entitled to live in the manner to which he is accustomed. Some people ask: Why should a man making $50,000 a year be paid $25,000 a year on retirement? I don't know why he made $50,000 in the first place; it is none of my business and I do not give a damn. I do not expect ever to be in that category, but the more power to that man. I do not say he is worth it, but that is his income. He must justify it to some people. His wife will be used to maintaining a certain standard of living. When he retires she will want to continue at that standard and ought to be entitled to do so.

I should like to see in this country an adequate retirement plan for every Canadian. I should like to see insurance companies and the annuities branch eliminated from the retirement field, and the Canada Pension Plan extended to the point where every Canadian can pay into it enough money to assure for himself a decent standard of living in keeping with his best income during his life. We have not been able to do that much for all our people, but that does not mean we should not introduce the changes proposed in this bill. Since we are to enjoy the benefits of a reasonable retirement plan, it behooves us all to do the best we can for all our people.

Finally, I should like to see a change in the proposals of this bill which will give those members who do not wish to participate in the plan the right not to participate.

Some hon. Members: Hear, hear!

Mr. Peters: Provisions might be written into our plan similar to those written into the one affecting members of the other place and which they have not taken advantage of. Those who believe that a reasonable pension plan is immoral ought to have the right not to participate in it. I think that is only sensible.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

BUSINESS OF THE HOUSE

Mr. MacLean: I rise on a point of order, Mr. Speaker. Last Thursday when the government House leader announced the business for this week, he did not announce the business for tomorrow. Perhaps he could indicate what business the government proposes to present to the House tomorrow.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. We propose as the first item of business, Government Order No. 34, the report stage of Bill C-137 respecting motor vehicle safety; to be followed by Government Order No. 25, the report stage of Bill C-138, to amend the Cape Breton Development Corporation Act.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INDIAN AFFAIRS—NORTHERN QUEBEC—TRANSFER OF JURISDICTION OVER ESKIMOS

Mr. Frank Howard (Skeena): Mr. Speaker, the proposition I wish to raise this evening arises from a question asked of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) a few days ago which related to the matter of consultation with the Eskimo people, particularly in Quebec, and what the minister meant exactly by "consultation". At no time has the government or the minister attempted to define what is meant by "consultation". The word has been much misused, abused and distorted by the government. I think it probably originated in the mind of the former minister, the Minister of Public Works (Mr. Laing), who developed the idea of the initial round of consultation conferences with the native people coincidentally with the 1968 election campaign. I realize that is an argument.

Anyone examining even cursorily the so-called white paper on Indian Affairs which

supposedly resulted from this consultative conference would agree that the word "consultation" is meaningless. In many respects the ideas presented in the paper that evolved as the result of the June 25 meeting last year bear no resemblance to the ideas expressed by the native peoples at the so-called consultative conference. In the minds of Indian and Eskimo peoples of this nation, "consultation" is a word mouthed by government members and is meaningless. They see consultation merely as a process of one-sided conversation, where they listen to people whose minds about the course to be taken are already made up.

We attempted to obtain information from the minister the other day, particularly with respect to the Eskimo people in Quebec who have unequivocally told the government that they do not want jurisdiction over their affairs to be transferred to the province of Quebec. They want to decide for themselves what jurisdiction they will come under. The minister was asked if he would accede to that request of the people. He was asked to listen to grass roots conversation and to pay attention to the needs of the people who would be affected by any such change. The minister refused to budge from his declaration that he would consult with the people. At no time did he indicate he would pay attention or give heed to the intentions and desires of the people.

• (10:00 p.m.)

This matter was put in perspective today by an answer the Parliamentary Secretary gave to the hon. member for Brant (Mr. Brown) in reply to a question regarding the closing of a Mohawk centre at Brantford. The Parliamentary Secretary made his reply with some emphasis and flair. He said, "The closing of the Mohawk institute"—to which the hon. member for Brant had referred—"was after detailed consultations". He made a previous reference to the consultations and used the phrase, "with the consent of the Indians concerned". The phrase "with the consent of the Indians concerned" was said with such elaboration and emphasis it almost appeared as though the unusual had happened. That consultation did not take into account the views of the people concerned.

If the Parliamentary Secretary was at liberty to say that the views of the Indian people with respect to the Mohawk institute had been listened to and acceded to, by the same token the minister, who has far more power and authority, should also take advantage of his privilege and right to say in this House unequivocally and clearly to the Eskimo people in Quebec that the government does not want to impose upon them the jurisdiction of the province of Quebec and objects to it strenuously.

The government should say to those Eskimo people that it is their fundamental right to make that determination. They should be told they are under the jurisdiction of the federal government, will stay there and attention will be paid to their request. The government should say it respects and honours the decision of the Eskimo people and that it will sever any further negotiations and discussions with the province of Quebec in that regard.

Instead of that, the minister talked about the matter of consultation without defining what he meant. He refused to budge from his previous position and tell the Eskimo people who are directly concerned that he would accede to their request, listen to their views and honour their position. In the absence of any such declaration, we can only conclude that these discussions and negotiations with the province of Quebec will continue. The discussions have been carried on for some years; they commenced before this government took office. The purpose of the negotiations is to work out a solution which is contrary to the views of the Eskimo people.

If the Parliamentary Secretary will say, as he said with respect to the Indian people at Brantford and the Mohawk institute, that the views of the people will be listened to and a decision made based upon the request of those people, they will understand clearly where they stand and will respect the government. In the absence of a declaration of that sort, I am afraid the views of the people are going to be overridden.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member predicated his argument or representations on the word "consultation". I do not know of many words in the English language that in their ordinary meaning and sense are better defined in the minds of the people who use them. While I do not have a dictionary here—

Mr. Howard (Skeena): I can send one over.

Mr. Honey: —I think I have a fair idea of what the word means. It means to talk with, to respect the views of. Of course, representa-

tions made by various parties are received, considered and a decision is made. That is what my minister has been saying repeatedly, not only to the hon. member for Skeena (Mr. Howard) who has raised the matter tonight but to the leader of his party and to the former Leader of the Official Opposition.

Perhaps the best thing I can do in the one or two minutes that I have is again to put on the record the position as stated on several occasions by my minister. On February 20, as reported at page 3892 of *Hansard*, in reply to a question from the hon. member's leader, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the minister said:

> Mr. Speaker, I abide by the basic agreement concluded in 1964 between the federal government and the provincial government. We are now negotiating with the provincial government in order to determine whether we could purchase some services from that government for the New Quebec Eskimos, but there will be no transfer of jurisdiction without consultation with the Eskimos.

The right hon. member for Prince Albert (Mr. Diefenbaker) then asked a question, to which my minister replied:

> Mr. Speaker, that is what we are doing at the present time, and when we have received a report from the officials now engaged in such consultations, we shall be in a position to inform the House on the situation.

I do not have time to refer to the question asked by the hon. member for Skeena on February 25, but it appears at page 4081 of *Hansard* and my minister gave exactly the same answer. In conclusion, Mr. Speaker, all I can say is that the federal-provincial team is presently still in the area, as my hon. friend knows, consulting with the native peoples. I am informed that it will be a matter of two or three weeks before the consultations are concluded. They will then, of course, report to the respective governments.

I would emphasize that this is a federal-provincial team which is consulting with the Eskimo people. When a report is received, it will then be the responsibility of the respective governments to consider the recommendations of the report, and if further action or consultation is necessary it will be taken. But at some point a decision will have to be made by those in authority.

EXTERNAL AFFAIRS—WITHHOLDING OF CONTRIBUTION TO UNITED NATIONS BIRTH CONTROL PROGRAM

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I am particularly glad that the Secretary of State for External Affairs (Mr. Sharp) is here this evening because I am quite sure he appreciates the urgency of the question of Canada's role in helping, through the United Nations, to get birth control information and family planning to those countries of the world that need it badly.

I was quite shocked when I read in the paper the other day that the program of the United Nations Fund for Population Activities this year has been jeopardized, so the story goes, by differences within the Canadian cabinet over whether or not we should participate in a program that we had agreed to help. Under this program, the United States, Britain, Sweden, Japan and the Federal Republic of Germany, together with Canada, were expected to contribute a total of $15 million for the budget of the United Nations Fund for Population Activities.

Evidently there is a hold-up, and according to the press this hold-up is in the Canadian cabinet. According to this story, the cabinet has not made up its mind about the program although birth control in this country is legal and although we would not be forcing it on any country that did not want it. The Canadian cabinet at that time had plainly made up its mind that Canada should carry out its agreed part of the program.

• (10:10 p.m.)

As I say, I know the minister appreciates the desperate urgency of this situation in the kind of world we have where it took several million years to reach the 2 billion mark in population, which we had in the mid-1930s. They tell us that by 1975 the figure will be doubled to 4 billion people, and that if we go on without any other thing intervening there will be 14 billion people in the year 2035. The likelihood is that there will not be all those people because of a number of very tragic things that will happen. For one thing, poverty breeds poverty and we know how it does. The capital growth of the underdeveloped countries will be brought to a standstill long before that time, because poverty will feed on the few resources they have and there be no chance for them to get ahead. Then there will be continued exacerbations in gross inequalities, and the fear that world income will be going to the developed nations, with all the potentialities for racial hatred and war that that situation will bring.

Also, famine will break out and the people will be dwarfed by the prolonged and dread-

ful famines of the future. In the next place, the low income and prevalence of hunger in the poorer countries can only mean a continuation of political instability. It is the underdeveloped nations that are most often racked with military coups, civil wars and violent revolutions; and if uncontrolled violence occurs, it can only increase instability. Then there will be diseases. Of course, we now know above everything else the dangers that exist in pollution. They are on a terrible scale, and in all forms imaginable.

It is for this reason I ask the minister—as I asked him earlier today, not knowing that I would be having the opportunity this evening—if he can make some statement as to whether or not this conflict is now resolved within the cabinet and when we can expect it will be resolved. I ask the question because I believe that the matter of world population and family planning can no longer be left to the old-fashioned clichés and shibboleths of yesterday. This is too important a matter to be left to old doctrines any longer: it is a matter of world survival.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I regret very much I was not here when the hon. lady put forward her question the other day, but I read *Hansard* with considerable amusement. I recognize, of course, that the hon. lady, in spite of the mirth that was generated, was very serious in what she had to say. She has today had the opportunity of elaborating her views at greater length and in greater quiet than existed at that time.

The government is actively engaged in elaborating policy in respect of family planning both domestically and internationally. Perhaps I might point out to her as evidence of our great interest that CIDA, the Canadian International Development Agency, has obtained the services of Dr. George F. Brown as special adviser in public health and population. Dr. Brown is well known as a specialist in international family planning programs. I think this indicates that we are not lacking interest in the matter.

I think she will also agree that our international policy must be related to our domestic policies. It would be quite improper for Canada to apply different standards domestically and internationally. We would quite rightly be the point of criticism, that somehow we felt that Canadians were to be treated differently from other people in respect of this kind of activity and policy. I am sure

[Mrs. MacInnis.]

that my friends in the NDP would be the first to condemn such hyprocrisy.

The first step in elaborating a domestic policy in respect of family planning has already been made, as the hon. lady has said, by an amendment to the Criminal Code regarding the dissemination of information on contraceptives, and the government is presently considering what else it should be doing in this field. When we have reached a conclusion in this matter we will be in a position to elaborate our international policy.

In order to indicate that we are not the only important country that is having difficulty making up our minds in this field, I would point out that the United Nations Fund for Population Activity to which the hon. member has referred has only very recently been re-organized. It is only now in a position to accept expanded contributions. Few countries have made contributions. Some countries including Britain, Japan and the Scandinavian countries have the matter under consideration. In this connection I simply want to repeat that the government recognizes the importance of family planning programs and is actively considering what its policy should be both domestically and internationally.

HOUSING—CONSTRUCTION BY POLYMER FOR LOW-INCOME GROUPS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on March 6 I posed a question to the Minister without Portfolio in charge of housing. I asked him whether or not the federal government intends to make direct loans to municipalities and regional governments to assist them in assembling and servicing land for urban growth in line with the proposal of the Hellyer task force. Mr. Speaker did not allow the question at that time, and therefore I pose it again tonight. The report of the task force on housing and urban development points out the following:

> On the basis of all the evidence and impressions before it, the task force believes that municipal assembly and servicing of land would produce major reductions in land costs in both the short and long-term while encouraging and assisting effective urban planning. Therefore, in summary, the task force recommends that:
>
> Municipalities or regional governments, as a matter of continuing policy, should acquire, service and sell all or a substantial portion of the land required for urban growth within their boundaries.
>
> The federal government should make direct loans to municipalities or regional governments to assist them in assembling and servicing land for urban growth.

It was in line with that recommendation that I asked the question the other day. I am sure the government realizes it is not good enough to go about the country with a task force. Grand words concerning what the government may be doing or thinking are not enough. Philosophy is not good enough. Tours of any description across the country are not good enough unless there is active participation by the government in this field. Possibly the government is considering putting this type of money into land assembly projects, but to date the municipalities have been unable to meet the rising costs with which they are faced and therefore cannot be expected to come up with any project in respect of land assembly for urban growth.

At the same time, I am sure everyone here realizes that municipal taxation cannot rise any more: it is at the highest level it has ever been. It would be impossible for the municipalities to attempt to tax the people in order to pay for the type of land assembly that is necessary. With this view in mind, I pose the question and would appreciate an answer this evening.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, in the unavoidable absence of the minister I shall be pleased to reply to the question raised by the hon. member on March 6 and his remarks this evening. Neither the minister in charge of housing nor the government have abandoned the proposal of the Hellyer task force that the federal government should make direct loans to municipalities and regional governments to assist them in assembling and servicing land for urban growth.

The task force quite properly pointed out that the joint federal-provincial investment in the assembly of land for housing purposes had been a feature of the National Housing Act for nearly 20 years. The task force recommended that provinces be urged to take greater advantage of this facility. The task force also urged that the Housing Act be amended to provide loans to municipalities and regional governments for the assembly and servicing of land.

Hon. members will recall that the National Housing Act was amended in June 1969. One of the amendments authorized CMHC to make loans to municipalities and to regional governments for the acquisition and servicing of land for general residential purposes. The sum of $20 million was provided in the capital budget of the corporation for 1969 for that purpose.

• (10:20 p.m.)

Again, notwithstanding the government's desire to devote most of its own resources and efforts to the provision of low income housing in 1970, continued support has been given to the land assembly program by including in the capital budget of Central Mortgage and Housing Corporation $30 million for land assembly projects in 1970. These funds have already been allocated to the provinces for use in those municipalities in greatest need.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, March 11, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

JUSTICE AND LEGAL AFFAIRS

Fourth, fifth and sixth reports of Standing Committee on Justice and Legal Affairs—Mr. Tolmie.

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

PRICES AND INCOMES COMMISSION

TABLING OF REPORT ON "STEEL AND INFLATION"—APPOINTMENT OF BERTRAM G. BARROW AS COMMISSIONER

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased to table two copies in the two official languages of a report by the Prices and Incomes Commission on "Steel and Inflation", and at the same time I should like to take the opportunity to announce the appointment of Bertram G. Barrow, as a commissioner of the Prices and Incomes Commission with special responsibility for the commission's price review program.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ANNOUNCEMENT OF SPECIAL AREAS

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, it is my privilege to announce the areas that, effective April 1, 1970, will be designated as "special areas", under the provisions of the Government Organization Act establishing my department. The areas are:

(A) In eastern Canada, six urban areas where we expect that my department's incentives to industry will bring about substantially faster industrial growth. To support this growth, my department is ready to finance community facilities—water, sewers, roads, schools and so on—which are needed but which the cities and provinces cannot afford. These urban areas of eastern Canada are as follows: In Newfoundland, St. John's and a surrounding area including the Conception Bay coast from Portugal Cove to Carbonear. In Nova Scotia, the metropolitan area of Halifax-Dartmouth. In New Brunswick, the city of Saint John as well as the city of Moncton and neighbouring areas. In Quebec, the city of Quebec and vicinity as well as the area of Trois-Rivières, Shawinigan, Grand'Mère and Bécancour.

[*English*]

(B) In Saskatchewan the urban areas are Regina and Saskatoon.

These cities were not included in the designated region under the industrial incentives program of the Department of Regional Economic Expansion, because they have in recent years enjoyed very rapid growth. They are now, however, adversely affected by wheat and potash marketing problems. Under the departmental legislation, incentives will be offered to encourage alternative industrial employment.

• (2:10 p.m.)

(C) In Eastern Canada, three areas whose locations give them potential for growth but which may be held back by difficulties in financing community development. These areas are: in Newfoundland, Corner Brook and its environs; in Nova Scotia, the area round the Strait of Canso; and in Quebec, Sept Îles-Port Cartier.

(D) In Newfoundland, six additional areas which contain resettlement centres for people moving from the outports. In some of these centres there is special need for improved water and sewer facilities for housing, schools and roads. The areas are: the part of the Burin Peninsula that includes Fortune, Grand Bank, Garnish, St. Lawrence, Burin and Marystown; the area of Grand Falls, Botwood, Lewisporte and Gander; the area of Stephenville and St. George's; the area of Hawke's Bay, Port Saunders and Port au Choix; the area of Come-By-Chance, Arnold's Cove and Goobies; the Happy Valley area in Labrador.

(E) In the prairie provinces, three mid-northern areas that can be assisted by indus-

trial incentives for the development of forest-based operations and other resource industries and which require improved community facilities, particularly to assist the economic and social progress of Indian and Métis people. These areas are: in Manitoba, an area around The Pas; in Saskatchewan, the Meadow Lake area extending north to Lac la Loche; in Alberta, an area centred on Lesser Slave Lake and including Whitecourt and High Prairie.

[*Translation*]

(F) In Ontario and Quebec, two areas where improved employment and income prospects depend on encouragement to forest-based industry and other industrial incentives. These areas are:

(1) In Quebec, the Lac St.-Jean area.

(2) In Ontario, the area including Renfrew, Pembroke, Arnprior, Bancroft and Barry's Bay.

The provinces concerned have been consulted about these designations, and the precise boundaries of the areas will be specified in agreements with the provinces.

The initial designations will be effective to June 30, 1972, the same date as for the present designations under the industrial incentives legislation.

The agreements that are now being made with the provinces will be for the same period as the designations. For most of the areas, however, it is expected that these agreements will be followed by further joint development plans extending over a five-year period.

The present agreements will provide mainly for priority projects whose construction can be started in the next few months. These projects will involve commitments of federal funds to an amount of more than $200 million.

That sum is, of course, for the financing of provincial and municipal projects, over and above our greatly increased commitments to the private sector, for industrial development incentives.

The first agreements will be signed shortly with Newfoundland and New Brunswick and will cover arrangements for financing highway construction as well as projects in the special areas.

[*English*]

Mr. Walter C. Carter (St. John's West): Mr. Speaker, we in the official opposition welcome the minister's announcement this afternoon. We have been waiting impatiently for the new department to come alive. The creation of the new department a year ago was heralded as a cure-all for the economic disparities in Canada, and this is the first indication that the minister or his department was even aware that these disparities existed.

We are happy, sir, that the minister has recognized that disparities exist in urban centres as well as the rural areas because some of the worst pockets of poverty in this country exist in the major urban areas.

The greatest curse in this country at this time is regional disparity. For the last 20 months the government has been giving lip service to its promise of a just society. Mr. Speaker, we feel that the great division in this country is not over language or culture but over economics—meat and potatoes. Eliminate the economic depression and there will be no threat to national unity in Canada. Confederation will take on more meaning, especially for the have-not areas, if what is outlined by the minister today is successful in erasing economic blight.

Some time ago in this House the Minister of Transport said that confederation has been a blessing for my province of Newfoundland. Sir, I agree it has been, but there are many promises which still have not been fulfilled. This program has been long awaited by my province, and indeed by all of the other have-not provinces.

We have not yet had the opportunity to study in detail what is planned, but this program is crucial for Newfoundland in order to get the province out of the financial mess in which it now finds itself. I think, Mr. Speaker, that eliminating the present scandalous unemployment in Quebec will once and for all silence those who preach separatism there.

Some hon. Members: Hear, hear.

Mr. Carter: The promised assistance for Saskatchewan cannot come too soon. People are moving out of that province at a rate greater than during the depression. I am told that approximately 7,000 people are leaving that province every year. I am also told that many car dealers there have been taken over by the automobile manufacturers because they just cannot keep going as private enterprises. In the Regina area alone a reported 1,000 homes are standing empty. The construction industry is in one of its slowest periods ever, and we are told that several farm machinery dealers are going belly up.

So far, Mr. Speaker, the minister's statement is merely words. If these words are

translated into real action I am sure members on this side of the House will be the first to give full credit to the minister.

Mr. John Burton (Regina East): Mr. Speaker, to the extent that the minister's announcement will help areas of Canada facing economic problems, and to the extent that it will help people facing economic problems it will certainly be welcomed. But it should be remembered that the drawing of a boundary, or pointing at a specific community, is the last step of a process that will be meaningful only if it has been preceded by an adequate determination of objectives, what it is the Department of Regional Economic Expansion is setting out to accomplish, and followed by an adequate allocation of financial and other resources.

The government's announcement—I want to thank the minister for making a copy of it available to us, together with supporting material, earlier today—gives no information on the extent of assistance to particular communities, or the approach to be taken in providing assistance to the special areas established. Surely the government has had enough time since the department was established last year to develop a more adequate approach.

The confusion concerning the government's programs will be compounded as a result of questions which quite naturally will be asked concerning the reasons why primary, secondary and service industries can be assisted in the special areas just announced, and only secondary industry can qualify for assistance in the designated areas announced last summer. The programs of this department, if continued in this manner, will end up in one huge jumble. Unfortunately, ever since the new department was established its programs have been characterized by confusion, indecision and lack of adequate planning.

• (2:20 p.m.)

In addition to the elimination of regional disparities the government has for some time attempted to delude the Canadian public with the impression that its regional development program is a major weapon in its war on poverty and is also a major weapon to counteract the adverse regional effects of its over-all economic policies. In both respects the government's policies have been a complete failure. Unemployment rates have continued to rise in Canada and are currently 6.1 per cent for the nation as a whole. It is admitted that unemployment will go higher before the winter is over. Such rates of unemployment for Canada mean unemployment rates of 10 to 12 per cent in some regions of Canada. The government's program has done nothing to reduce the disparity in unemployment rates and in over-all economic well-being.

It is also clear that the government's anti-inflation policy is not working. It is succeeding in dragging the economy down in a way which increases unemployment without lessening the rate of price increases. The New Democratic Party for some time has called on the government to change the direction of its policy and outlined its own proposals in some detail in a minority report on interest rates and inflation last month.

When regional development legislation was before the House of Commons last summer, it was held up as the blueprint for future action and, in particular, the designated areas program under the Regional Development Incentives Act was regarded as the key.

The first major step announced by the minister last summer was the establishment of certain designated areas across Canada. Subsequent questions and inquiries have established that the government's approach on these areas was nothing more than a political exercise unsupported by any sort of satisfactory criteria. The government abandoned its growth centre approach talked about so much when the legislation was introduced.

Information obtained on the operation of the designated areas to date shows that in some cases government assistance amounts to 70 per cent of the total cost of the project. Canadians have a right to expect that the government should have some equity in the project when that proportion of public money is involved.

It has also been shown that a considerable portion of the grants offered are being given to foreign controlled industries. In fact, the government is encouraging non-resident controlled industries to take advantage of incentive grants as illustrated in the answer to a question asked by myself where it was reported that the department has advertised its programs in New York and Boston papers.

Mr. Speaker: Order, please. I have to interrupt the hon. member. It is always difficult for the Chair to determine at what point an hon. member has gone beyond the limits imposed upon comments on ministerial statements. I have to remind hon. members that

the comments which are allowed under Standing Order 15 should be brief. Perhaps the hon. member might consider bringing his remarks to a close at an early moment.

Mr. Burton: Mr. Speaker, I had just about concluded my remarks but there were two further points I did want to draw to the attention of the government. One was the failure to take more adequate action to deal with the problems of the Indian and Métis people. I recognize that the programs—

Some hon. Members: Order!

Mr. Burton: —three of the programs announced in the prairie provinces will certainly have—

Mr. Speaker: Order, please. I am sure the hon. member would want to take into account the suggestion I made a moment ago, that perhaps he is going beyond the limitation of the Standing Order. If the hon. member will consult the rules he will see that the comments he makes should be brief and should refer more particularly and specifically to the statement made in the House by the minister. It seems to me the hon. member is now going rather beyond the terms of the statement.

Mr. Burton: Mr. Speaker, I was noting that the minister has included in his statement some programs which are of benefit to the Indian and Métis people in certain parts of Canada. I regret it was not possible to develop a more adequate program to deal with this area of problems in view of the very great needs the Indian and Métis people face across Canada.

Finally, I should like to note that I am very pleased some help has been provided for the province of Saskatchewan. That province is facing very serious economic problems and the old designated areas established were quite inadequate. I am pleased that the area of northwestern Saskatchewan has been included and that the cities of Regina and Saskatoon have been established as special areas. The problems faced by businessmen and many people out of work in Regina are well known. It seems to me the provision of programs for these areas is essential if we are to have growth and economic recovery—

Mr. Speaker: Order, please. I suggest to the hon. member that he has now completed his statement.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I find it rather funny that the minister should announce the designation of 22 "special areas" in eight Canadian provinces.

At the last elections, in 1968, he said along with newspaper men that the least advanced regions of Quebec had voted for the Ralliement Créditiste. But I find that the "designated areas" in Quebec, precisely because they are underdeveloped, elected Liberal members at the last elections.

Mr. Speaker, two years ago, we initiated the establishment of designated areas in order to fight poverty effectively. And now, it is found that "special areas" are required because the designated areas have not solved anything. In a year or six months, the minister may perhaps designate extra-special, para-special or intra-special areas, to carry on the war against poverty.

Mr. Speaker, not only did the minister explain what was a "special area", but he also stated that the "special areas" had been designated by the federal government after consultation with the provincial government concerned.

So that is the paradox which we are now facing in my own district of Northwestern Quebec: Representations are made to the Minister of Energy, Mines and Resources (Mr. Greene) for the maintenance of gold mining subsidies, because it seems that 2,000 gold miners are to be dismissed in the Val d'Or-Malartic-Rouyn area, as well as on the Ontario side.

The minister claims that we should discontinue subsidies to gold mines when we can certainly export our total gold production to the United States.

When designating 22 "special zones" a region which is directly affected is being omitted. Lake St. John region is considered to be a logging region. The minister knows that the North-Western Quebec logging region is equal to that of Lake St. John or any other in the province.

I would not like the minister to think I am against the Lake St. John region benefiting by special measures established but what I do say is that our North-Western Quebec region should likewise be designated as a "special region" and benefit from government measures because we are now facing a most serious situation economically, politically and socially.

I think the minister should look into the possibility of making it a special area and of preventing the closing of the mines.

The minister said that setting up an infrastructure would help those areas by the building of schools, roads, and so on. But there is an infrastructure not referred to by the minister, and it is the monetary infrastructure which keeps its diabolical grip over human beings and leaders alike, including the minister. The problem is not to be solved by the designation of such special areas, because neither the minister nor the government bothers to look for the trouble.

I know that the minister will make the headlines tomorrow in all media, especially on the CBC. I do understand that, but this is no solution.

Neither the CBC nor the press settles economic problems which have to be dealt with by a political philosophy resting on sturdy foundations. I therefore say to the minister that if the Social Credit system were implemented we would settle Canada's economic problems.

• (2:30 p.m.)

[*English*]

OIL

U.S. IMPORT RESTRICTIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. J. H. Horner (Crowfoot): Mr. Speaker, under the terms of Standing Order 43 I ask the unanimous consent of the House to propose a motion based upon an urgent and pressing necessity which arises out of the following circumstances.

The President of the United States yesterday made a statement regarding restrictions on imports of Canadian oil by the United States. This statement, and a subsequent briefing by a United States official, leaves unanswered questions of concern to many Canadians, namely, whether the Canadian government will comply with the United States order inasmuch as, according to statements which have been made, the Canadian government is to be the agent in administering this cutback; whether the government intends to challenge any of the fallacious assumptions upon which this decision was based; whether it is the view of the Canadian government that the present level of exports was endangering Alberta's reserve capacity, whether the Canadian government was considering similar cutbacks if, as alleged in the United States briefing, the Americans had not decided to apply one, and whether the government does not consider that such cutbacks will destroy Canadian incentive for further exploration.

With leave, I move, seconded by the hon. member for Edmonton East:

That the subject matter of the President's statement on the marketing of oil in the United States be referred to the Standing Committee on National Resources and Public Works, and that the committee report thereon not later than March 20.

Mr. Speaker: As the hon. member has suggested, this motion can be put to the House at the present time only if there is unanimous consent. I shall inquire whether there is such unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I regret to advise the hon. member that there is not unanimous consent. The question cannot be put at this time.

Mr. Horner: Who said no?

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PRINCE EDWARD ISLAND FERRY SERVICES

Question No. 430—**Mr. Macquarrie:**

1. Is it the intention of the government to withdraw the MV *Lucy Maud Montgomery* from the Borden-Tormentine ferry service and, if so, when and to where is this ship to be transferred?

2. Have definite plans been made to assist in augmenting the Wood Islands-Caribou ferry service and, if so, what is the nature and extent to which the Government of Canada will be involved?

3. Are the docking and terminal facilities at Wood Islands and Caribou at present capable of giving effective berthing to the *Lucy Maud Montgomery* and, if not, what is the nature, extent and cost of necessary changes?

4. In the past three years, from what governments and organizations has the Government of Canada received representations concerning the Wood Islands-Caribou service?

5. Have any provincial governments made the Government of Canada aware of their willingness to offer assistance in upgrading and extending this service and, if so, what is its nature and extent of such assistance?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. No plans at present to withdraw the *Lucy Maud Montgomery* from the Borden-Tormentine ferry service.

2. Although the matter is being urgently examined no definite plans have yet been made.

3. No. Dredging at both terminals will be required together with re-construction of a berth at Wood Islands. Approximate capital cost of these changes would be over $750,000 and there will be additional charges for maintenance dredging.

4. The government of Nova Scotia, government of Prince Edward Island, R. M. MacEwan, M.P. (Central Nova), H. A. Venoit, MLA, Nova Scotia, and various private individuals.

5. The government of Nova Scotia has agreed to contribute a sum not exceeding $125,000 to the improvement of terminal facilities at Caribou, N.S.

RESEARCH, TREASURY BOARD

Question No. 605—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Treasury Board and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. If research is defined to include the collection and analysis of information then the operating budget of the Treasury Board is largely directed to this purpose. If, on the other hand, research is defined narrowly to include the development of new knowledge (as distinct from information) then the Treasury Board does not engage in research.

2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF NATIONAL DEFENCE

Question No. 606—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of National Defence and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. In 1968-69 the actual expenditure was $44,142,000; for 1969-70 the estimated expenditure is $47,399,000. The purposes of the research were to (a) carry out research and preliminary development in those scientific and technological fields that are relevant to Canadian defence and important to the international defence science community and perform tests and evaluations and modify equipment, components or procedures of the Canadian Forces on request. (b) carry out analytical and operational research studies. (c) provide liaison offices and a scientific information centre for the collection and dissemination of scientific information relating to national defence. (d) award grants-in-aid for approved work by university scientists and make contributions to establish or expand industrial research activities in defence technologies.

2. The Dominion Bureau of Statistics does not have "actual" expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF PUBLIC WORKS

Question No. 609—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Public Works and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1.

Year	Expenditure	Project
1968-69	$12,000	An investigation of the strength mechanisms of highly sensitive clays to earthquake shock loadings.
1969-70	$10,000	An investigation of the strength mechanisms of highly sensitive clays to earthquake shock loadings.

2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF EXTERNAL AFFAIRS

Question No. 611—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of External Affairs and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. Project: Latin America. Fiscal year: 1968-69; Cost: $2,800. Purpose: To review the extent to which missions are able to investigate and report systematically on the basic social and economic problems of Latin America and on the steps being taken to resolve these problems.

Project: Peaceful settlement of International disputes. Fiscal year: 1968-69; Cost: $3,600. Purpose: To have useful information at hand in anticipation of discussions on this subject at the United Nations General Assembly.

Project: Trade between Canada and the Commonwealth Caribbean. Fiscal year: 1968-69; Cost: $30,802. Purpose: To comply with a joint agreement reached at the 1966 Commonwealth Caribbean/Canada Conference.

Project: Documents on Canadian External Relations. Fiscal year: 1968-69 and 1969-70; Cost: $9,460 and $13,617 respectively. Purpose: To edit and prepare State Papers for publication of successive volumes.

Project: Canada's External Relations 1600-1969. Fiscal year: 1969-70; Cost: $3,000. Purpose: To edit, prepare and compile a bibliography.

The above items relate to contract research and exclude research carried out normally within the department in the course of day-to-day operations.

2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF NATIONAL REVENUE

Question No. 617—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of National Revenue and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1.

Unit	1968-69	1969-70	Total
	$	$	$
Customs Laboratory	4,000	5,000	9,000

Purpose: Intra-mural research projects for the most part, generally involving research into analytical methods. The results obtained remain unpublished and are used to facilitate the examination of certain chemical commodities.

It may also be pointed out that National Revenue (Taxation and Customs and Excise) do certain analytical work and research and development in the administrative and operational fields. These activities include analysis of tax laws, computer studies and studies relating to organizational methods and procedures. It is not considered, however, that these come within the area of the research referred to in the question.

2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF JUSTICE

Question No. 618—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Justice and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. Legal officers of the Department of Justice undertake research projects in connection with their regular duties and it is impossible to say with any degree of accuracy what sums have been expended for this particular purpose. For example, research is undertaken regularly in respect of government legislation

on constitutional matters, criminal law matters and various aspects of government-sponsored legislation. The department is currently taking steps to establish a new section to undertake long-term research projects of a type not necessarily related to immediate problems.

2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Question No. 619—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Indian Affairs and Northern Development and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. In 1968-69, $4,304,412 was expended on research. In 1969-70, $5,246,075 is estimated as expenditures on research. The purpose of these research projects are to provide information needed for on-going programs in the department. It is not possible to indicate the purpose of each project without a search of every project file. The cost to the government in manpower would be exorbitant.

2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF AGRICULTURE

Question No. 622—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Agriculture and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council):

1. Estimated Expenditures	1968-69	1969-70
Expenditures provided through regular parliamentary votes	$49,896,000	$52,122,000
Cost of services provided by other departments	5,114,000	5,500,000
Total estimated expenditures	$55,010,000	$57,622,000

Research Projects

The Research Branch has approximately 1,400 research projects under five main categories. The principal objective is to increase efficiency and productivity of Canadian agriculture. Further details follow.

Soil Research—Soil genesis, classification, physical and chemical properties, fertility, surveys and mapping, including Canada Land Inventory operations.

Crop Research—Improvement and protection of cultivated plants.

Animal Research—Research on domestic and fur-bearing animals and poultry, including genetics and breeding, physiology, nutrition and management; research on animal products.

General Biology and Support Research—Taxonomy of plants and insects, food research, bacteriology, virology, bio-chemistry, biological or chemical control of pests and pesticide degradation and residues.

Engineering Research—Research on the engineering aspects.

The Health of Animals Branch has approximately 84 research projects. The objectives of these projects are in general similar to those of the Research Branch but emphasizing the prevention, control or eradication of animal diseases and protection of the public against diseases of animals communicable to man. The Board of Grain Commissioners conduct basic and applied research on cereal quality. The Economics Branch conducts research studies on the economics of production, marketing, consumption, farm organization and management and other matters of economic or social significance in

Canadian agriculture. (Detailed list of current projects was tabled in answer to Question 37). The Research Branch, Health of Animals Branch and Board of Grain Commissioners projects are essentially continuous in nature.

2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Question No. 624—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Consumer and Corporate Affairs and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. The estimated sums spent by the Office of the Director of Investigation and Research on general or research inquiries conducted under Section 42 of the Combines Investigation Act and other research projects were as follows:

1968-1969	1969-1970 (April 1-November 30)
$116,070	$81,095

The research projects being undertaken during the above periods and their purpose were as follows:

(1) Mergers in Canadian Industry in the Post-war Period—designed to assist the government in formulating any future policy with respect to mergers.

(2) Study of Concentration in Canadian Manufacturing Industries—this is an important aspect of the structure of the economy and one having a bearing on competition policy.

(3) Bid Depositories in the Construction Industry—undertaken in view of the national importance of pricing procedures in the industry.

(4) Research on a continuing basis into problems of structure and behaviour of industry to keep the Director informed of the state of competition in various sectors of the economy.

(5) Research in connection with Canada's contribution to studies conducted by the OECD, including restrictive business practices in international trade, access to patents and trademarks, obstacles to the international transfer of technology and the restrictive aspects of the multinational corporation. The estimated expenditures of the Consumer Research Branch of the Department of Consumer and Corporate Affairs were $53,000 in 1968-69 and $98,000 from April 1, 1969 to the end of December. Research papers were prepared in the Consumer Research Branch for federal-provincial discussions on consumer affairs, for the OECD, for the Special Senate Committee on Poverty, and for the Interdepartmental Committee on Consumer Affairs. Continuing research is carried out on various subjects of concern to the department.

2. The Dominion Bureau of Statistics does not have "actual" expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, POST OFFICE DEPARTMENT

Question No. 627—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Post Office Department and the Department of Communications and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. Post Office Department:

	Thousands of dollars
(a) 1968-69	$ 284.9
1969-70	$ 660.5

(b) To improve the design of static postal equipment and to develop and improve the mechanized mail handling and processing equipments.

(a) The Department of Communications exists only since April 1, 1969. There is therefore no data for that department in 1968-69. (b) The 1969-70 budget estimates for Communications and Space Research are $9,500,000 including $2,400,000 for a satellite construction contract in industry. (c) The research of the Department is divided into 3 parts, the aims of each of these being specified as follows:

Communications Research:

To sponsor, to conduct and to monitor research in all relevant areas of communications technology in order to meet the mission

objectives of the Department with special emphasis on communications to Northern Canada.

Satellite Technology:

To maintain a competence in those areas of Satellite technology of importance to Canada. To perform research and to develop technology relevant to Canada's present and future needs. To direct and manage satellite development programs performed by industrial contract.

Research Supporting Radio Spectrum Management:

To perform research on radio propagation which is peculiar to the Canadian environment for both civil and military applications. To improve radio prediction and forecasting services to Canadian users.

2. The Dominion Bureau of Statistics does not have "actual" expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

RESEARCH, DEPARTMENT OF SUPPLY AND SERVICES

Question No. 628—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Supply and Services and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. None.

2. The Dominion Bureau of Statistics does not have Actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

NATIONAL FILM BOARD PERSONNEL

Question No. 714—**Mr. Orlikow:**

1. Has the current year's budget of the National Film Board been frozen at the same level as last year's budget?

2. Did the National Film Board tell its employees that pay increases negotiated would be absorbed in the coming year as they had been in the past?

3. Did the Treasury Board inform the National Film Board that last year's deficit would have to be absorbed in the current budget?

4. Has production of new films by the National Film Board, except for sponsored films, been suspended and, if so, since what date?

5. How many employees of the National Film Board is it expected will leave by the summer of 1970 by retirement, resignation or lay-off?

6. Of those leaving, how many will leave from each of the following Branches—English production, French production, technical services, distribution and administration?

7. Have the proposed cut-backs and lay-offs been discussed in detail and agreed to by the Union representing the employees?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Film Board as follows: 1. The parliamentary appropriation has been frozen at last year's level.

2. No.

3. The National Film Board did not incur a deficit last year.

4. Production of films on NFB program was suspended for two months but has since been resumed.

*5. Approximately 97 employees will leave and not be replaced between January 1970 and the summer of 1970.

*6.

	Lay-Offs	Resignations and retirements not replaced	Total
English Production	18	9	27
French Production	4	2	6
Technical Services	12	6	18
Distribution	18	12	30
Administration	11	5	16
	63	34	97

*Staff changes resulting from the Saumier report will not be determined in final form until studies recommended by the report have been conducted. As reported by the Government Film Commissioner in his report to Parliament dated January 22, 1970, seventeen members of English Production, previously slated for lay-off, will be retained on staff.

7. They have been discussed in detail with the three associations representing the employees and have not been agreed to, the associations objecting to a reduction in their membership by a process of lay-off.

[*English*]

RECEIPTS FROM AND PAYMENTS TO INDIANS

Question No. 764—**Mr. Nesbitt:**

1. In the past fiscal year, what was the total amount of money received by the Government of Canada from Canadian Indians?

2. In the past fiscal year, what was the total amount of money paid out by the Government of Canada to Indian Canadians and what were the major categories of payment and the amount paid in each category?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. It is not possible to separate payments from Indians from payments from non-Indians since the method of recording all revenues received by Canada does not allow such differentiation.

2. The amount of money paid in 1968-69 by the Government of Canada directly and indirectly to Canadian Indians is $141,853,995. The major categories are—(a) Economic Development and Social Programs, totalling, $66,345,358. (b) Education, totalling $68,981,075. (c) Administration, totalling $6,527,562.

"PEACE FESTIVAL"—MOSPORT, ONTARIO

Question No. 865—**Mr. Nesbitt:**

1. Is any department of the government supplying funds to assist the "Peace Festival" sponsored by Mr. and Mrs. John Lennon, to be held at Mosport, Ontario on July 3 and 4, 1970 and, if so, how much?

2. Are any government agencies, Crown corporations or any other emanations of the federal government such as the CBC providing funds for the above-mentioned "Peace Festival" and, if so, how much?

3. Are any departments of government, agencies of the government, Crown corporations or other emanations of the government such as the CBC providing assistance to the above-mentioned "Peace Festival" in non-monetary forms of assistance and, if so, in what way?

4. Are any forms of assistance, as set out above, being provided for a similar "Peace Festival" to be held under the auspices of the Government of the Province of Manitoba during the summer of 1970?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State):

1. No.

2. No.

3. No. I am informed by the Canadian Broadcasting Corporation that the only possible CBC connection with this event is its news value and this has not yet been assessed.

4. No.

[*English*]

CNR—REDUCTION IN PASSENGER TRAIN SERVICE

Question No. 878—**Mr. Corbin:**

1. Was the Canadian National Railway decision to reduce its passenger train service and change the nature of the service offered made at the local, regional or national level?

2. Were the people of the areas concerned consulted before the decision was reached?

3. In the case of the discontinuance of the Ocean Limited passenger train on the Moncton-Edmundston-Joffre line, did the Canadian National Railway consult with the citizens of the areas concerned before making their decision?

4. If not, for what reason?

5. Does the Canadian National Railway intend to consult the citizens of the areas concerned before making such decisions?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. Changes in passenger service effective January 7, 1970 were carried out on a system basis following consultations with regional and area administrators.

2, 3 and 4. For many years, when changes in passenger train service are contemplated, it has been the practice to make public announcements of such proposed changes 20 days prior to implementation in accordance with the regulations of the Board of Transport Commissioners and its successor, the Canadian Transport Commission. In the recent changes, 60 days' notice was given in order to allow for any consultation or discussion which the communities concerned might desire. While newspaper accounts from the area served by the Ocean Limited between Moncton-Edmundston-Joffre did indicate local concern and objection, no requests were received for consultation or direct discussion respecting the change. Such discussions would have been held if requested.

5. The Company's policy respecting changes in passenger train service is to announce such changes substantially in advance of their effective date so that discussions in any municipality affected could be conducted during that period of notice as required or requested.

Questions

PUBLIC SERVICE LAY-OFFS

Question No. 928—**Mr. Skoreyko:**

1. What was the total cost of lay-offs in the Civil Service from January 1, 1969 to January 1, 1970 in (a) British Columbia (b) the Prairies (c) Ontario (d) Quebec (e) the Maritimes?

Region	Number of lay-offs
(a) British Columbia	84
(b) The Prairies	89
(c) Ontario	*239
(d) Quebec	23
(e) The Maritimes	85

*Included in this number are 70 employees laid off when the Canadian Forces Base at Picton, Ontario, was closed. Other reductions in National Defence caused lay-offs at Kingston (3), Ottawa (32) and Trenton (19).

[*English*]

CBC—ACTRA DUES AND FEES

Question No. 953—**Mr. Orlikow:**

1. In each of the past five years, what has been the total amount of deductions from CBC payroll to cover ACTRA dues and fees?

2. For each of these years, how many individual members of ACTRA had dues or fees deducted?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1 and 2. The CBC does not deduct membership dues or fees for ACTRA members. Over the past five years CBC has paid the following amounts to ACTRA members.

Fiscal year	Total payments in $000's	Estimated No. of ACTRA members
1964-65	$3,943	4,632
1965-66	3,889	5,034
1966-67	4,995	4,933
1967-68	6,244	4,531
1968-69	6,225	5,719

The above statistics apply to the jurisdiction of the ACTRA agreements, but do not include fees paid indirectly to ACTRA members by the Corporation through commissioned productions, i.e. programs purchased from outside firms which might employ ACTRA members.

[*English*]

P.E.I.—FISHING HARBOURS

Question No. 978—**Mr. McQuaid:**

1. Which fishing harbours in Prince Edward Island will be continued to be maintained by the federal government?

[Mr. Loiselle.]

2. In each category listed, what percentage of these public Servants were English speaking and what percentage were French speaking?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows:

English speaking %	French speaking %
100	—
93.3	6.7
86.5	13.5
17.5	82.5
89.5	10.5

2. Will any financial assistance be granted to the Province by the federal government towards the maintenance of harbours other than those mentioned in answer to Part 1?

3. Have representations been made by the Government of Prince Edward Island to the Government of Canada for financial assistance in the maintenance of harbours other than those mentioned in answer to Part 1?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1, 2 and 3. The future of fishing harbours, their maintenance and improvement, is now under study by federal and provincial officials.

*DIRECT MORTGAGE LOANS

Question No. 988—**Mr. Goode:**

Does the government, through Central Mortgage and Housing Corporation, plan to institute a programme of direct mortgage loans to offset the recent downward trend in housing starts in Canada?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the government's very substantial housing programs for the year 1970 were outlined by the minister responsible for housing on February 2, 1970, when the capital budget of the Central Mortgage and Housing Corporation was tabled. I would refer the hon. member to *Hansard* of that date, pages 3061 and 3062.

*AIRPORT NOISE ABATEMENT REGULATIONS

Question No. 989—**Mr. Goode:**

1. Are there, at present, any Department of Transport regulations regarding noise abatement at airports in Canada and, if so, what are they and at which airports do they apply?

2. Has the Department of Transport undertaken, or does the Department have plans to initiate, any studies on the problem of noise pollution created by aircraft arrivals, departures and stationary warm-ups at airports in Canada?

3. If such studies have been carried out, what were the findings and how were these findings acted upon?

4. If such studies are planned, when will they begin and what will be the scope of these studies?

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as the answer here is quite long, I would beg leave from the House to have it recorded in *Hansard* and considered as read.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: The reply follows:*]

1. There is one section of the Air Regulations which deals with aircraft noise abatement. Section 516 (bb) of the Air Regulations states; "The pilot-in-command of an aircraft operated on or in the vicinity of an aerodrome shall conform with any directions made by the Minister relating to noise abatement".

Special procedures for noise abatement are published for the international airports at Winnipeg, Toronto Ottawa, and Montreal. While the same basic concept is employed at all of these airports, the specific procedures vary to suit local needs.

The three basic concepts upon which aircraft noise abatement procedures are predicated are: preferential runways for arriving and departing aircraft, departure-climb and arrival-descent procedures, and curfew.

An ideal preferential runway permits aircraft to operate to and from an airport with a minimum of restrictions while disturbing the last number of people. Departure procedures, which are most important when a preferential runway is not available, are tailored to suit local conditions. To provide optimum relief for noise sensitive areas adjacent to airports aircraft may, consistent with safety, be asked to: attain a certain altitude as soon as practicable after take-off, initiate a turn away from certain residential developments, climb at reduced power and rate of climb while overflying certain areas near the runway, or, operate without any restrictions whatsoever.

On the other hand, arrival procedures are less flexible: depending upon weather conditions, aircraft are to be aligned with the runway not less than 6 miles from the runway threshold, and maintain an altitude of 2000 feet above ground for as long as practicable before commencing final descent for landing.

Curfew is employed at two airports: Montreal and Toronto, between the hours of midnight and 7:00 a.m. This restriction is applicable only to turbo-jet aircraft.

2. Special studies related to aircraft noise have been carried out on behalf of the Department by National Research Council as far back as 1959 and 1960 at Montreal and Ottawa International Airports, and then again at Montreal in 1965. A study is currently underway at Toronto.

3. The results of the Ottawa and Montreal studies were compiled as reports which served as a basis for aircraft noise abatement procedures in the early 1960's. The 1965 report on Montreal resulted in the installation of a central noise monitoring system for that airport, which in turn prompted a similar study for Toronto. An automatic monitoring system for Toronto is expected to be completed by summer this year.

At present, no new studies are planned.

[*English*]

CBC TIME ALLOTMENT TO QUEBEC POLITICAL CONVENTIONS

Question No. 997—**Mr. Caouette:**

1. How much time did the French and English networks of CBC (Radio and TV) devote to news reports and commentaries on (a) the Union Nationale convention held in June 1969 (b) the *Parti Québécois* convention held in October 1969 (c) the Quebec Liberal Party convention held in January 1970 (d) the *Ralliement Créditiste* convention held in January 1970?

2. How many employees of each network were involved in the transmission of each convention?

3. What was the cost of the programmes relating to each convention?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) French TV network, 6 hours; French Radio network, 5 hours; English TV (local or on limited network), 4 hours; English Radio (local or on limited network), 5 hours.

(b) There was no live coverage from the floor of the convention. The CBC decided that, since this was not a leadership contest, adequate coverage could be given in the course of regular news and public affairs programs.

(c) French TV network, 7 hours; French Radio network, 7 hours; English TV (local or on limited network), 7 hours; English Radio (local or on limited network), 4 hours.

(d) See (b) above.

2. Some 100 employees in all, including technical personnel, for radio and TV networks combined.

3. Approximately $51,000 and $77,000 for the Union Nationale and Liberal conventions respectively.

Questions

[*English*]

CBC ADVERTISEMENTS IN "QUÉBEC-PRESSE" and "LA PRESSE"

Question No. 998—**Mr. Portelance:**

1. Did the Canadian Broadcasting Corporation advertise in the *Québec-Presse* during the months of December 1969 and January 1970 and, if so, on what dates and at what cost each time?

2. When *Québec-Presse* sold this advertisement to CBC, what circulation figure did *Québec-Presse* quote and what were its rates?

3. Did the Canadian Broadcasting Corporation advertise in *La Presse* during the months of December 1969 and January 1970 and, if so, on what dates and at what cost each time?

4. When *La Presse* sold this advertisement to CBC, what circulation figure did *La Presse* quote and what were its rates?

5. Which section of CBC requested this advertisement in *Québec-Presse* and who is in charge of the section?

6. How much did CBC pay for the advertisement which appeared on page 16A of *Québec-Presse* on January 25, 1970?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes. There were 14 advertisements in all on various dates during December and January. There were no cash expenditures in this regard since the ads were placed on a contra-account basis whereby comparable value in broadcast time is exchanged for space in the publication.

2. Paid circulation of 92,000 and a rate of 70¢ per agate line according to the contra-account contract.

3. Yes. There were 28 advertisements in all on various dates during December and January for an average cost of about $350. each.

4. Circulation was not mentioned since detailed figures from the Audit Bureau of Circulation are published regularly in Canadian Advertising Rates and Data. Rate: $1.10 per agate line.

5. The advertisements were ordered by the heads of the radio and TV publicity departments.

6. Nil. See reply to part 1 above.

[*English*]

HOCKEY NIGHT IN CANADA SPONSORS

Question No. 1,000—**Mr. McCleave:**

1. Who are the national and local sponsors of Hockey Night in Canada as shown on CBC TV?

2. What amount does each sponsor pay and for how much time in each instance?

3. Do any of these sponsors have control over material shown during the non-advertising portions of Hockey Night telecasts and, if so, what suggestions or orders have they made which have been adopted?

4. Are any representatives of advertisers or advertising agencies dealing with Hockey Night in Canada physically present in the broadcasting gondola, near the TV cameras, or close enough to communicate with producers, directors, switchers, cameramen and other TV staff during such telecasts and, if so, what type of orders or suggestions, if any, are they permitted to give?

[Mr. Pelletier.]

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. National sponsors are Imperial Oil, Ford and Molson's; there are no local sponsors.

2. Rights are held by the advertising agency and the amount paid by sponsors is a matter between the agency and the sponsors. The CBC recovers its costs, i.e. production charges, station time and interconnection charges, in full.

3. No.

4. Advertising representatives are present as observers and can communicate with the CBC producer and game officials, which they do for purposes of co-ordinating the insertion of commercial messages into the program. However, they do not give suggestions or orders to CBC personnel with respect to CBC coverage of the game.

[*English*]

DISTRIBUTION OF NFB AUDIO-VISUAL MATERIALS

Question No. 1,014—**Mr. Nowlan:**

1. Has the National Film Board recently decided to distribute audio-visual materials through private agencies and, if so, what *criteria* were established for proposed distributors?

2. Who are the partners of Visual Education Centre, one of the successful bidders?

3. Were any of the partners mentioned in Part 2 formerly employees of the National Film Board and, if so, at what time and in what positions?

4. Was any public invitation made to bid on the distribution contracts and, if so, (a) by what date were presentations required to be filed (b) when was a decision made?

5. In the case of the successful bidder, Visual Education Centre (a) how many experienced repesentatives are now available to sell and distribute material (b) what is the minimum annual sales requirement under the contract and what is the penalty for default (c) what is the value of the minimum inventory they must commit to the project (d) is all the capital of the company Canadian (e) are all the partners Canadian?

6. What level of increase in distribution of audio-visual equipment does the National Film Board require, as a result of contracting their distribution?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Film Board as follows: 1. Yes. Slides, filmstrips, multimedia kits, overhead projectuals and 8mm silent film loops will be distributed through private agencies. The following criteria were applied for proposed distributors: reputation, distribution of products non-competitive to the National Film Board, enthusiasm, physical proximity to the market, specialization in audio-visual software, financial resources to handle present National Film Board sales volume, Canadian financial control, marketing techniques, and a commitment in writing to a satisfactory marketing plan.

2. Messrs. Don Wilder, Grant McLean and Gordon Burwash.

3. Yes. Mr. Wilder, 1944-1958, cinematographer; Mr. McLean, 1945-1967, film maker in many capacities; executive, 1966-1967, Acting Government Film Commissioner; Mr. Burwash, 1950-1954 and 1960-1967, Writer, Actor, Producer.

4. Public invitation to bid was not requested. National Film Board personnel in offices across Canada were asked to approach and/or submit names of companies which were worthy of consideration. 35 distributors in Ontario were considered. (a) there was no date when representations were required to be filed. (b) the decision to appoint Visual Education Centre was made on December 17, 1969.

5. (a) Visual Education Centre has presently four experienced representatives for sales and distribution. (b) The minimum annual sales volume required by the contract is the estimated gross value of National Film Board audio-visual sales in Ontario projected for the current fiscal year 1969-1970. This is based on sale to date and current market trends. The penalty for default clause in the contract reads as follows: "If the Distributor violates or defaults in the performance of any undertaking or obligation under this Agreement, the Board may, by notice in writing, specify clearly to the Distributor the nature of the violation or default and, if before the expiry of thirty days after the giving of notice, the Distributor does not, to the satisfaction of the Board, rectify the violation or default and give assurance of its intention to comply with this Agreement, the Board may, by notice in writing, terminate the rights of the Distributor under this Agreement with effect from such date as the Board specifies in this notice." (c) Minimum inventory required by contract is a 90 day supply of stock. (d) The contract states that while it is in effect, the absolute majority of the issued share capital of the distributor shall be held by Canadian citizens living in Canada. (e) The partners are all Canadian citizens.

6. The National Film Board requires an expansion of marketing techniques which the distributor has undertaken to provide, and the distributor has agreed in the contract to secure and increase the National Film Board's present volume of sales.

[*English*]

SECRETARY OF STATE DEPARTMENT PERSONNEL

Question No. 1,035—**Mr. Mather:**

What was the number of employees in the Secretary of State's Office and Department in 1960, 1965 and 1969?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Number of employees as of March 31:

	1960	1965	1969
Secretary of State's Office	12	13	10
Departmental Strength	743	875	880

[*English*]

POLLUTION—INSTALLATION OF REDUCED SMOKE COMBUSTERS ON JET AIRCRAFT

Question No. 1,045—**Mr. Anderson:**

Has the Department of Transport, Department of Health and Welfare or any other government agency held discussions with Canadian airlines on the advisability of installing reduced smoke combusters on jet aircraft to reduce air pollution and, if so, has a target date been established for the installation of reduced smoke combusters on Canadian jet aircraft?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Discussions have taken place with the airlines concerning the JT8D engine which is considered to be the main cause of air pollution by aircraft. Manufacturers' production schedules will permit the airlines to equip their aircraft with modified engines which, greatly reduce the pollution factor by 1972.

PRISON INMATES RELEASED ON PAROLE

Question No. 1,074—**Mr. Orlikow:**

1. How many men were released on parole from federal prisons in each year from 1960 to 1969 inclusive?

2. How many men, in each year from 1960 to 1969 inclusive, violated conditions of their parole and were returned to prison?

Questions

3. What types of offences were committed by the paroled men who were returned to prison?

4. What was the cost, for each year 1960 to 1969 inclusive, of supervising every man out on parole?

5. What was the cost, in each year 1960 to 1969 inclusive, of keeping one man in one of the federal prisons?

Hon. G. J. McIlraith (Solicitor General): 1. 1960, 1,192; 1961, 1,005; 1962, 885; 1963, 663; 1964, 751; 1965, 1,127; 1966, 1,114; 1967, 1,328; 1968, 1,493; 1969, 1,870.

2. 1960, 116; 1961, 174; 1962, 170; 1963, 190; 1964, 153; 1965, 222; 1966, 219; 1967, 270; 1968, 224; 1969, 378.

3. Offences range from violations of terms and conditions of parole to indictable offences punishable on conviction by sentences of two years and more.

4. 1960-61, not available; 1962, $562; 1963, $630; 1964, $650; 1965, $604; 1966, $783; 1967, $757; 1968, $802; 1969, $851.

5. 1959-60, $2,384; 1960-61, $2,293; 1961-62, $2,424; 1962-63, $2,753; 1963-64, $2,743; 1964-65, $3,074; 1965-66, $3,430; 1966-67, $4,900; 1967-68, $5,315; 1968-69, $6,654.

JUVENILE OFFENDERS INCARCERATED IN PENITENTIARIES

Question No. 1,075—**Mr. Orlikow:**

1. How many juvenile offenders are now in federal penitentiaries?

2. In how many cases did the court have presentence recommendations from social workers, probation officers, psychiatrists, etc.?

3. What facilities, if any, are there for segregation of these juveniles from the adult inmates?

Hon. G. J. McIlraith (Solicitor General): 1. One as defined under Section 21 of the Penitentiary Act.

2. One (for above offender).

3. This offender is confined in accordance with the provisions of Section 21(1) of the Penitentiary Act, that is, in an area within the Federal Training Centre, Quebec set aside for inmates under the age of 21 years.

PENITENTIARY INMATES—NUMBER OF INDIANS

Question No. 1,076—**Mr. Orlikow:**

1. How many persons were serving penitentiary sentences in each penitentiary in Canada during each year from 1960 to 1969 inclusive?

2. Of those persons serving penitentiary sentences, how many were (a) Indians within the meaning of the Indian Act (b) of Indian ancestry, in each penitentiary during each year 1960 to 1969 inclusive?

Hon. G. J. McIlraith (Solicitor General): 1. Numbers are listed in Annex A.

2. A separate record of persons of Indian ancestry has not been maintained; certain persons claiming Indian ancestry being unaware whether or not they are registered within the meaning of the Indian Act while others, referring to themselves as Canadians, have been so recorded on the admission records of the institution.

Annex A

Canadian Penitentiary Service
Inmate Population Statistics

As of March 31—	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Newfoundland	25	34	46	41	30	26	41	15	15	19
Dorchester Penitentiary	662	713	750	720	795	748	713	730	501	457
Springhill Institution	—	—	—	—	—	—	—	—	175	189
St. Vincent de Paul Penitentiary	1,635	1,453	1,304	1,037	1,153	1,170	1,167	1,085	981	1,020
Federal Training Centre	431	407	458	405	420	419	411	288	300	289
Leclerc Institution	—	304	374	549	586	623	635	549	509	453
Archambault Institution	—	—	—	—	—	—	—	—	—	28
Cowansville Institution	—	—	—	—	—	—	—	154	164	211
Special Correctional Unit	—	—	—	—	—	—	—	—	27	62
St. Hubert Centre	—	—	—	—	—	—	—	—	—	16
Kingston Penitentiary	989	939	981	877	865	861	896	853	756	696
Prison for Women	124	124	126	111	121	114	118	81	74	74
Collins Bay Penitentiary	456	453	591	665	678	664	642	648	620	649
Joyceville Institution	217	397	440	501	548	498	526	520	510	514
Warkworth Institution	—	—	—	—	—	—	—	—	92	143
Manitoba Penitentiary	417	427	505	531	589	574	572	487	475	545
Osborne Centre	—	—	—	—	—	—	—	—	—	15
Saskatchewan Penitentiary	640	732	778	803	789	804	776	702	660	672
Drumheller Institution	—	—	—	—	—	—	—	—	88	141
British Columbia Penitentiary	748	755	803	979	1,081	1,017	852	520	547	499
William Head Institution	—	—	—	—	—	—	—	137	136	123
Matsqui Institution (Male)	—	—	—	—	—	—	62	384	391	400
Matsqui Institution (Female)	—	—	—	—	—	—	—	32	36	38

Notes:

1. Prior to 1967 figures for William Head Institution were included in those for British Columbia Penitentiary.
2. Correctional camp and farm annex figures are included in those of the parent institution.

PAROLE OFFICERS

Question No. 1,077—**Mr. Orlikow:**

1. How many parole officers are employed by the Department of Justice and what is their jurisdiction?

2. How many of these are trained social workers?

3. How many are university graduates in the social sciences?

4. Does the Department make provision for bursaries for the training of more parole officers and, if so, how many bursaries and in what amount?

Hon. G. J. McIlraith (Solicitor General): 1. 129 by the Department of the Solicitor General. Their jurisdiction is subject to the direction of the Chairman of the National Parole Board who is also its chief executive officer.

2. Thirty-two.

3. Sixty-eight.

4. Yes, ten bursaries in an amount of up to $2,500 each.

INMATES AND STAFF, FEDERAL PENITENTIARIES

Question No. 1,078—**Mr. Orlikow:**

1. What is the total number of inmates in federal penitentiaries as of the last date for which the annual report was prepared?

2. What is the total staff employed in these penitentiaries and, of these, how many are guards, teachers, psychologists, psychiatrists, etc.?

3. What qualifications are required for the professional staff?

4. What are the minimum qualifications for guards employed in penitentiaries?

5. Is there a compulsory training course for people hired as guards and, if so (a) what type of course (b) how long does it take to complete this course?

Hon. G. J. McIlraith (Solicitor General): 1. 7,160 as of March 31, 1969.

2. 4,610 as of February 13, 1970. The breakdown by classification is given at Annex "A".

3. Qualifications for professional staff are: (a) Physicians: medical degree and licence issued by a Provincial Medical Association for practice in that province (possession of licentiate of the Medical Council of Canada entitles holder to be licensed in any province in Canada); or possession of equivalent qualifications.

(b) Psychiatrists: As for physicians, but requires also certification as a psychiatrist by the Royal College of Physicians and Surgeons of Canada; or possession of equivalent qualifications.

(c) Dentists: Degree in dentistry and licensed by Provincial Dental Association.

(d) Psychologists: Master's degree or doctorate in psychology.

(e) Classification Officers Level 2: B.A. degree. Level 3: M.A. or B.A. degree, three years' experience and written examination. Level 4: M.A. degree and five years' experience or Ph.D. less thesis. Level 5: M.A. degree and eight years' experience or Ph.D. degree.

(f) Arts & Craft: Diploma or degree.

(g) Social Worker: Degree in social work.

4. Minimum qualifications for a correctional officer are: Grade 10; age 21-40 years (if applicant has overseas service in the Armed Forces the 40 year limit does not apply); height 5 feet 6 inches; weight commensurate to height; medically fit.

5. Yes. (a) Induction Training Course; (b) This course is divided into two phases: Phase 1 conducted at a Correctional Staff College—duration six weeks. Phase 2 consisting of "on the job" training, duration normally six weeks but can be extended according to the need.

Annex "A"

Canadian Penitentiary Service
Breakdown of Staff

Correctional Staff	2,029
Psychologists	23*
Psychiatrists	23*
Physicians	20*
Dentists	14*
Chaplains	44
Teachers	65
Classification and Guidance Officers	120
Visits and Correspondence Officers	57
Administrative (Wardens, Assistant Warden, Deputy Wardens, ARD's, Superintendents, Supervisors of Industries and Vocational Training, FI's, Administration and Supply Officers	230
Administrative Support	494
Trades Instructors	503
Heating and Power Plant Staff	194
Hospital Support (Hospital Officers, X-Ray Technicians, Dental Technicians)	159
Stores Staff	94
Farm Staff (Farm Managers, Assistant Farm Managers, Farm Assistants, Gardeners)	80
Stewards	153
Miscellaneous (Drivers, Forestry Officers, CRC Counsellors, Supervisor, Housekeeping Services, Staff Instructors, SIS and related staff Works Officers, Recreation Officers, Training Aid Technicians, etc.)	242
Casuals	66
TOTAL	4,610

*Figures include those on part-time and under contract.

PENITENTIARIES—MALE RECIDIVIST RATE

Question No. 1,079—**Mr. Orlikow:**

What was the recidivist rate of males admitted to each Canadian penitentiary in the years 1967, 1968 and 1969?

Hon. G. J. McIlraith (Solicitor General):

Admitting Institution	Year	Admitted on Warrant of Commitment	Number having served previous sentences in penitentiary	Percentage
Dorchester	1967	375	150	40.
	1968	339	161	47.5
	1969	398	186	46.7
St. Vincent de Paul	1967	864	310	35.9
	1968	966	331	34.3
	1969	962	378	39.3
Kingston	1967	799	378	47.3
	1968	965	432	44.8
	1969	1044	328	31.5
Manitoba	1967	231	107	46.3
	1968	270	102	37.8
	1969	308	120	39.
Saskatchewan	1967	434	176	40.6
	1968	499	238	48.5
	1969	496	181	36.5
British Columbia	1967	491	238	48.5
	1968	437	198	45.3
	1969	579	279	48.2
Total	1967	3194	1359	42.5
	1968	3476	1462	42.1
	1969	3787	1472	38.9
Total 1967-69		10,457	4293	41.1

PUBLIC SERVICE SUPERANNUATION ACT

Question No. 1,115—**Mr. McCleave:**

1. To what groups has the Treasury Board Secretariat submitted an outline of proposals arising from the statement of the President of the Treasury Board to the House of Commons on December 19, 1969?

2. Did any groups disagree with the proposals and, if so, which groups and to which proposals?

Hon. C. M. Drury (President of the Treasury Board): 1. The proposals were considered and recommended by the Advisory Committee on the Public Service Superannuation Act which contains representatives of the bargaining agents in the Public Service. Subsequently, the proposals were discussed with representatives of each of the bargaining agents who are certified representatives of public service employees: The Public Service Alliance of Canada; The Professional Institute of the Public Service of Canada; The Council of Postal Unions; The Canadian Postmasters Association; The Association of Postal Officials of Canada; The International Brotherhood of Electrical Workers; The Canadian Merchant Service Guild; The Canadian Air Traffic Control Association; The Council of Graphic Arts Unions; The Professional Association of Foreign Service Officers; The Dockyards Trades and Labour Council.

2. No.

NATIONAL FILM BOARD LAY-OFFS

Question No. 1,116—**Mr. Southam:**

1. Is it part of the government's austerity program to lay off production employees from the National Film Board?

2. How many of those being dismissed are English speaking?

3. How many of those being dismissed are French speaking?

4. How many of those being dismissed are bilingual?

5. What is the total number of employees being dismissed from NFB?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Film Board as follows: 1. Yes. Budget limitations oblige the

National Film Board to lay off production employees.

2. Thirty-one.

3. Thirty-two.

4. Thirty-two.

5. Sixty-three.

[*English*]

SOLITARY CONFINEMENT, KINGSTON PRISON FOR WOMEN

Question No. 1,134—**Mr. Orlikow:**

1. When is solitary confinement used at the Prison for Women in Kingston?

2. In the past three years, how many of the inmates have been given solitary confinement and of those, how many have been in solitary confinement (a) once (b) twice (c) three times (d) more than three times?

3. How long can inmates be held in solitary confinement?

4. Is there a limit on the number of days in a month or a year that an inmate can be held in solitary confinement?

5. What are the physical facilities in solitary?

6. Under what circumstances is the mattress removed?

7. In how many cases have mattresses been removed from the cells of inmates in solitary confinement, and what are the facilities for sleeping when the mattresses are removed?

8. What is the menu in solitary confinement?

9. Under what circumstances is the menu changed in solitary confinement?

10. What provision is made for supervision of those in solitary confinement?

Hon. G. J. McIlraith (Solicitor General): 1. The Prison for Women at Kingston does not have solitary confinement accommodation as such, however, one range has been subdivided to provide a segregation area for purposes of protective custody and for the maintenance of good order and discipline in the institution.

2. 73; (a) 51, (b) 18, (c) 2, and (d) 2.

3. Dissociation as a punishment is governed by Section 2.28 of Penitentiary Service Regulations and may be ordered for a period not to exceed thirty days. Dissociation for reasons other than as a punishment is governed by Section 2.30 of Penitentiary Service Regulations.

4. As for 3.

5. Physical facilities in dissociation are the same as those in normal association.

6. Mattresses are removed only in cases of wilful damage.

7. No record; however, mattresses removed as set in answer to 6 above are returned for sleeping at night.

[Mr. Pelletier.]

8. Unless specifically stipulated, the menu for inmates in dissociation is the same as for inmates in normal association.

9. On the advice of the medical officer.

10. Inmates in dissociation are visited by two correctional officers at least once an hour on a 24-hour basis, and daily visits are made by the senior duty officer, a classification officer, the institutional chaplain, others as required, and psychiatric consultation is available.

RICHMOND CONSTITUENCY—CROWN CORPORATION OFFICES

Question No. 1,147—**Mr. Beaudoin:**

Do any Crown corporations or agencies have head offices located in the constituency of Richmond and, if so (a) which ones (b) how many employees did each of them have in the past fiscal year?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): No.

FEDERAL ASSISTANCE TO AGINCOURT PRODUCTIONS

Question No. 1,148—**Mr. Beaudoin:**

Has the federal government granted any subsidy to Agincourt Productions during the past three fiscal years and, if so (a) how many, in what amount, and for what reason (b) what *criteria* are applied in the granting of subsidies to producers of films and plays?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: No subsidy has been granted to Agincourt Productions during the past three years. However, the Canadian Film Development Corporation under Section 10(1)(a) of its Act invested in the film "Flick" made by Agincourt Productions. (See also reply to Question 83, page 1947 of *Hansard,* December 15, 1969).

[*English*]

CBC COVERAGE OF FOUNDING CONVENTION, RALLIEMENT CRÉDITISTE DU QUÉBEC

Question No. 1,153—**Mr. Beaudoin:**

1. How much time did CBC devote to coverage of the founding convention for *Ralliement Créditiste du Québec* Party held in Quebec in mid-January (a) on the English radio and television stations (b) on the French radio and television stations?

2. Which sessions of this convention did CBC broadcast live on television and radio, and how long did these broadcasts last?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) 36 minutes and 45 seconds. (b) 2 hours and 6 minutes.

2. There was no live coverage from the floor of the convention. The CBC decided that, since this was not a leadership contest, adequate coverage could be given in the course of regular news and public affairs programs.

[*English*]

ST. LAWRENCE SEAWAY EXPROPRIATIONS OF LAND, CAUGHNAWAGA RESERVE

Question No. 1,161—**Mr. Godin:**

Did the government recently issue a cheque for $776,389.56 to Chief Andrew Delisle of Caughnawaga Reserve in connection with St. Lawrence Seaway expropriations in 1955-56 and, if so (a) what was the amount and the rate of interest included in this sum (b) how many acres were involved (c) how much did the Indians of this Reserve receive for this expropriation?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway Authority advises as follows: Yes. (a) Interest $667,642.82. Rate 5 per cent. (b) 703.4707 acres. (c) $1,963,563.66, Damages of an indirect nature are presently under negotiation.

GEORGETOWN, ONTARIO—ROSSLAKE AERODROME

Question No. 1,187—**Mr. Hales:**

1. What criteria does the Department of Transport use to determine what is a settlement, insofar as interpreting Section 529 of the Air Regulations is concerned?

2. Does the Department of Transport propose to prohibit light aircraft from operating from the Rosslake airstrip located near Georgetown, Ontario, because the general area over which aircraft must fly while taking-off or landing from this airstrip is considered to be a settled area?

3. Does the Department of Transport propose to examine all airports and civil aerodromes in Canada to apply similar criteria to determine whether or not flying operations should be allowed to continue?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. Since the intent of the regulation is to afford protection to persons and property on the ground from hazards occasioned by low-flying aircraft any decision to invoke the provisions of Section 529 of the Air Regulations in a particular case would be taken where it could be shown that a hazard existed to any small community, village or group of houses in a thinly populated area by virtue of low-flying aircraft.

2. Yes.

3. (a) All airports in Canada are examined at regular intervals and meet the Department's Licensing standards. (b) Civil aerodromes will be examined in every case where a hazardous condition is reported to exist.

DEPARTMENT OF TRANSPORT—ADVERTISING IN INTERNATIONAL AIRPORTS

Question No. 1,212—**Mr. Skoberg:**

1. Did the Department of Transport authorize the placing of signs advertising liquor, cigarettes and automobiles, etc., in International Airports and, if so, when was the decision made?

2. Was an opportunity provided whereby all concerned parties were made aware of the decision to allow advertising in International Airports under DOT supervision?

3. Were any regulations specified as to the size and location of each sign and, if so, what were the specified requirements?

4. What revenue is being realized at each of the International Airports from the following companies for advertising (a) cigarette companies (b) automobile companies (c) others?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. Yes. Tenders for the advertising concession were invited on July 4, 1968,

2. Tenders were advertised nationally and copies of the tender notices were sent to 153 advertising companies.

3. Tenders were invited in two stages (1) Concepts (2) Financial Offers. Six companies submitted their concepts for advertising in ten air terminal buildings. A briefing was held with the six companies who submitted concepts at which time their proposals were reviewed and they were advised with respect to size, location and types of advertising signs. At the conclusion of this briefing financial offers (Stage 2) were invited.

4. Tenderers were asked to submit financial offers on the basis of a percentage of gross revenue earned with an annual guarantee. Gross revenue estimated by the tenderers was not broken down to show anticipated earnings by category of products advertised. A copy of the financial offer submitted by the successful tenderer showing estimated revenue per airport for each of the first five years, follows:

Financial Offer For Advertising Concession

	Percentage offered	Percentage offered if sales exceed $600,000	Percentage offered if sales exceed $750,000	Minimum annual Guarantee offered
First Year	50	60	In any year,	$250,000
Second Year	55	60	60% of the total	280,000
Third Year	60	60	plus an additional	320,000
Fourth Year	60	60	10% of the excess	360,000
Fifth Year	60	60	up to $1,000,000.	400,000

Concessionaire's Estimated Annual Gross For First Five Years

	1st. Year	2nd. Year	3rd. Year	4th. Year	5th. Year
Vancouver	$ 74,160	$ 84,060	$ 92,465	$101,710	$111,885
Calgary	34,800	36,960	40,655	44,720	49,195
Edmonton	28,370	32,260	35,485	39,030	42,935
Winnipeg	51,250	59,655	65,620	72,185	79,400
Toronto	135,345	153,645	169,010	185,905	204,495
Ottawa	33,360	38,160	41,975	46,175	50,790
Montreal	115,155	125,505	138,055	151,860	167,045
Saint John, N.B.	8,865	10,595	11,655	12,820	14,105
Halifax	33,490	38,420	42,265	46,490	51,135
Gander	9,840	10,500	11,550	12,705	13,975

PUBLIC SERVICE—PROMOTION OF UNILINGUAL EMPLOYEES

Question No. 1,233—**Mr. Coates:**

Have any members of the Public Service of Canada, who are unilingual, been passed over for promotion in favour of bilingual employees and, if so, in how many instances has this occurred?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: Promotions in the public service are governed by the terms of the Public Service Employment Act which provide that all appointments are to be in accordance with the merit principle, having regard for certain preferences set out in the Act. Persons are selected for appointment on the basis of their qualifications to carry out the duties of the positions to which they are appointed, and the phrase "passed over for promotion" does not have any precise meaning for the public service.

[*English*]

TENDERS FOR AIRPORT SURVEILLANCE RADAR SYSTEMS

Question No. 1,245—**Mr. Skoberg:**

Have public tenders been called for the contract to supply equipment on new airport terminal surveillance radar systems for Gander, Edmonton, Vancouver and the New International Airport (Ste. Scholastique) and, if not, for what reason?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): No. For equipment of this type, it is the departmental practice to invite tenders from representative lists of suppliers, as this is considered adequate coverage. This procedure is authorized by the Government Contracts Regulations. The tender call made in this instance has a closing date of April 14, 1970.

PUBLIC WORKS—ACCOMMODATION FOR DEPUTY MINISTER

Question No. 1,269—**Mr. Coates:**

1. Is the Deputy Minister of Public Works moving from his present quarters to new quarters and, if so, on what date and for what reason?

2. Where will the new quarters be located and what will be the cost to the taxpayer of the move in question?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, by the end of March, 1970. The move is one of several required by a reallocation of functions and the regrouping of several executives and directors of the Department.

2. In the Sir Charles Tupper Building; the several elements of cost are not known because they are part of a contract affecting other areas of the building.

NATIONAL FILM BOARD—PROTEST OF NEW FILM RENTAL POLICY

Question No. 1,282—**Mr. Mather:**

Has the Secretary of State received representations from groups, including the Vancouver YWCA, protesting the new film rental policy established by the National Film Board and, if so, what consideration is being given to such representations?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes. The film rental charges have since been cancelled.

[*English*]

RCMP—MARINE SERVICE BRANCH

Question No. 1,294—**Mr. Muir (Cape Breton-The Sydneys):**

1. Has the Marine Services Branch of the Royal Canadian Mounted Police been eliminated and, if so, for what reason?

2. (a) How many men will be affected and will they be offered other positions within the Force at the same rank and salary (b) will there be any reduction or change in their pension benefits?

Hon. G. J. McIlraith (Solicitor General): 1. No; however, the marine services of the Royal Canadian Mounted Police are being reorganized on a geographical basis to promote efficiency and economy of operation, and they will report through the RCMP divisional headquarters in the region in which they are being used.

2. (a) The precise numbers will not be known until the reorganization is completed, but those affected will be offered other positions within the Force with at least equivalent rank and salary. (b) No.

DEFINITION OF STOL TYPE AIRCRAFT

Question No. 1,305—**Mr. Reid:**

1. What is the Government of Canada's definition for a STOL type aircraft and, if there is not one, for what reason?

2. Is this definition accepted by the various provinces and by the various regulatory authorities throughout Canada?

3. Is this definition generally accepted internationally?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. There is no official definition of STOL type aircraft either in Canada or internationally since one has not been necessary up to the present.

2. Not applicable.

3. Not applicable.

ATHABASCA CONSTITUENCY—INDIAN RESERVES LAND-USE STUDIES

Question No. 1,306—**Mr. Yewchuk:**

On which Indian Reserves, in the constituency of Athabasca have land-use studies been carried out and on which Reserves are land-use studies scheduled to be carried out during the present fiscal year?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Six land-use studies have been completed in the constituency of Athabasca covering eleven Indian Reserves as follows: Driftpile River 150; Sucker Creek 150A; Swan River 150E and Assineau River 150F; Boyer 164 and Child Lake 164A; Beaver Ranch 163 and Tall Cree 173 and 173A; Fox Lake 162 and Jean D'Or Prairie 215.

No land-use studies are under way or scheduled to be carried out in that constituency in the 1970-71 fiscal year.

NATIONAL DEFENCE—ENGAGEMENT OF CONSULTANTS 1950-1970

Question No. 1,308—**Mr. Robinson:**

How many consultants have been engaged by the Department of National Defence during each year 1950 to 1970 inclusive, and (a) what was the cost of the consultants (b) how were the consultants utilized (c) for what reasons were the consultants necessary?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Records are not maintained in a manner which would permit all consultants to be readily identifiable, and the necessary expert staff is not available the undertake the large amount of work which would be required to gather the necessary information. Since 1965, a number of management consultant studies have been undertaken, or are in progress, as detailed in the national defence portion of the reply to Mr. Skoberg's question No. 1,323 in the last session of Parliament and tabled on 25 June, 1969 (Votes and Proceedings page 1227).

The last study "Ships Design, Engineer and Acquisition—System Engineering Processes" by Stanwick Corporation is continuing in 1969-70 at an estimated total cost of $140,000.

In addition, in 1969, a System Validity Analysis of the DEVIL project was carried out by Computer Sciences Canada Limited at an estimated cost of $33,000.

The use of consultant assistance brings to the Department the technical competence and the objective point of view of an outsider who

may be in a position to help solve a problem, or suggest an alternate proposal which would meet the requirements.

AGRICULTURE—SUBSIDY TO MILK PRODUCERS

Question No. 1,325—**Mr. Robinson:**

What was the total subsidy paid to milk producers during each year 1960 to 1969 inclusive?

Hon. H. A. Olson (Minister of Agriculture): The total subsidy payments to milk and cream producers each year 1960 to 1969 inclusive, were as follows: 1960-61, $11,432,769; 1961-62, $12,371,154; 1962-63, $13,257,869; 1963-64, $36,513,185; 1964-65, $35,497,064; 1965-66, $28,454,926; 1966-67, $76,370,116; 1967-68, $96,721,480; 1968-69, $101,106,073; 1969-70, (to Jan. 31/70) $77,947,932.

NATIONAL DEFENCE—USE OF TRADITIONAL UNIFORMS

Question No. 1,367—**Mr. MacLean:**

1. Are all Militia and Reserve Units of the Canadian Forces allowed to continue to use their traditional uniforms, as promised by the then Minister of National Defence in December 1966?

2. Are Militia and Reserve Units being issued with the new uniforms which have been approved for the Permanent Forces and, if so, is this on a compulsory or optional basis?

3. If traditional uniforms are no longer to be worn by Militia and Reserve Units, what compensation will be made to such units for the loss of traditional uniforms purchased out of non-public funds for bands, ceremonial occasions, guards, etc.?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): The Militia is an element of the Canadian Forces Reserves and the policy regarding uniform applies equally to all elements. 1. Yes, as indicated on December 7, 1966, until all members of the Canadian Forces have been equipped with the new service dress, they may continue to wear the present uniform, regimental dress and mess dress uniforms on appropriate occasions.

2. The Reserve Forces are being issued with combat clothing for field training which is that currently in use by the Regular Force. No firm date has been established for the issue of the new service uniform to the Reserve Forces, but it will not commence until after completion of the Regular Force issue program.

3. Not applicable.

GOVERNMENT LAMB PREMIUM

Question No. 1,379—**Mr. MacLean:**

1. What has been the rate of government premium paid on lamb for each of the past five fiscal years?

[Mr. Groos.]

2. On how many occasions, during these five years, has this rate been changed and, on what dates?

3. What was the import of each of these changes?

4. What has been the total amount paid under this premium policy to lamb producers in the Province of Prince Edward Island, for each of the past five fiscal years?

Hon. H. A. Olson (Minister of Agriculture):

	Choice	Good
	1 and 2	1 and 2
1. 1964-65	$2	$1
1965-66	$2	$1
1966-67	$2	$1
1967-68	$2	$1
1968-69	$1	—

2. Once, April 1, 1968.

3. The change in 1968 did not affect the percentage of lambs grading Choice and Good in that year.

4. 1964-65, $9,250; 1965-66, $8,349; 1966-67, $7,347; 1967-68, $4,470; 1968-69, $1,602.

GOVERNMENT BACON HOG PREMIUM

Question No. 1,380—**Mr. MacLean:**

1. What has been the rate of government premium paid on bacon hogs for each of the past five fiscal years?

2. On how many occasions, during these five years, has this rate been changed and, on what dates?

3. What was the import of each of these changes?

4. What has been the total amount paid under this premium policy to hog producers in the Province of Prince Edward Island, for each of the past five fiscal years?

Hon. H. A. Olson (Minister of Agriculture): 1. 1964-65, $3 Grade A quality; 1965-66, $3 Grade A quality; 1966-67, $3 Grade A quality; 1967-68, $3 Grade A quality; 1968-69, $2 Grade A quality (9 months); $3 Canada index 103 or higher (3 months).

2. Two. April 1, 1968 (reduced to $2 Grade A quality); December 31, 1968 (changed to $3 on Canada Index 103 or higher).

3. The change on April 1, 1968 did not affect the percentage of hogs grading A. The change December 31, 1968 was associated with the change to the new Hog Carcass Valuation System which equated returns to the producer with value to the consumer.

4. 1964-65, $106,750; 1965-66, $108,651; 1966-67, $96,653; 1967-68, $152,530; 1968-69, $93,398.

NATIONAL DEFENCE—CF-5 AIRCRAFT

Question No. 1,388—**Mr. MacLean:**

1. How many CF-5 aircraft are now in service with the Canadian Defence Forces?

2. Have any tanker aircraft been acquired for air-refueling of the CF-5?

3. By what date is it expected that the full requirement of tanker aircraft for refueling the CF-5 aircraft will be procured for, and in service in the Canadian Defence Forces?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Thirty.

2. Two of the Boeing 707/347C being procured for the Canadian Forces will be modified to provide an in-flight refuelling capability.

3. Approximately 24 months is required, as the lead time for the procurement of the parts is estimated at 14-16 months, with additional time being required for installation, checkout, instrumentation and flight testing.

NATIONAL DEFENCE—MARITIME COMMAND

Question No. 1,389—**Mr. MacLean:**

1. How many ships of each class are now in commission in Maritime Command?

2. How many of these ships could be fully manned, up to the present authorized complement, in all trades, in case of emergency?

3. In what trades, if any, is there a shortage of fully skilled personnel, under the present authorized complement?

4. Does the de-commissioning of the aircraft carrier *Bonaventure* (a) create a surplus in some trades, and, if so, what trades (b) compensate for the shortage of certain trades in the complement of other ships (c) is there still a shortage of certain skilled trades for the manning of the remaining ships, even with the de-commissioning of the aircraft carrier *Bonaventure*?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. One A/S aircraft carrier; Eleven destroyer escorts; Nine destroyer escorts (helicopter); Four submarines; Two operational support ships; Two repair vessels; Six minesweepers; One hydrofoil—still in experimental stage to determine its potential as an A/S vehicle; One diving depot ship.

2. All of them.

3. Small shortages (less than 15 per cent) exist in the trades of Radioman Sea, Signalman Sea, and Radar Plotter.

4. (a) Yes, a temporary surplus in the trades of Air Boatswain, Marine Engineering Technician and Electrical Technician. It is anticipated that this surplus will disappear in 1971; (b) Yes; (c) Yes, see 3.

GLACIER NATIONAL PARK

Question No. 1,391—**Mr. Harding:**

1. (a) How many private timber berths are there still remaining in Glacier National Park (b) who is the registered owner of each berth and what is the acreage involved in each?

2. (a) How many private timber berths in Glacier National Park have been obtained by the Crown since December 1, 1968 by (i) purchase (ii) expropriation (b) what was the total amount paid for each timber berth?

3. Is the federal government currently negotiating the purchase of any remaining timber berths and, if so, when are the negotiations likely to be concluded?

4. Are there any privately held mineral claims in Glacier National Park and, if so (a) how many claims are held (b) who is the registered owner of each (c) what is the acreage involved in each case (d) is the federal government currently negotiating the purchase of these claims?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) One. (b) Selkirk Spruce Mills Ltd. own one berth covering the following area: Berth No. 117 3.37 sq. miles or 2,156.8 acres.

2. (a) Five timber berths have been purchased; however, in order to establish a date and to ensure that all claims are cleared by mutual agreement between vendor and purchaser, expropriation is being implemented. (b) Negotiations with the vendor, Kicking Horse Forest Products Ltd., were not based on the value of each individual berth but on their total holdings. These holdings were as follows:

Glacier National Park

	sq. miles		acres
Berth No. 40	6.25	or	4,000.0
Berth No. 292	6.28	or	4,019.2
Berth No. 328	1.85	or	1,184.0
Berth No. 329	2.63	or	1,683.2
Berth No. 342	11.88	or	7,603.2
Total	28.89		18,489.6

Mount Revelstoke National Park

	sq. miles		acres
Berth No. 73	1.11	or	710.4

The total amount agreed upon for these holdings is $2,750,000 of which $1,250,000 has been paid.

3. Yes, negotiations have been completed for the purchase of the only remaining timber berth in Glacier National Park, held by Selkirk Spruce Mills, Ltd. The transfer of the title to the Crown is expected by March

31, 1970. Again in this case in order to establish a date and to ensure all claims are cleared by mutual agreement, expropriation will be implemented.

4. Yes. (a) One; (b) Mr. B. C. McCorkell, Vancouver; (c) Approximately 25 acres; (d) No. This claim appears to have no economic value by itself and it is expected that it will lapse in time.

P.E.I.—AGRICULTURE LIME ASSISTANCE

Question No. 1,416—**Mr. MacLean:**

What is the total paid out under the Agriculture Lime Assistance program, for lime used by farmers in the Province of Prince Edward Island, for each fiscal year 1965-1966 to 1969-1970 inclusive?

Hon. H. A. Olson (Minister of Agriculture: Nil.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT COMMISSIONS

Question No. 383—**Mr. Coates:**

1. How many commissions have been established by the present government since June 25, 1968?

2. In each instance, what was the responsibility of the commission in question, what are the names of the individuals involved with each commission, what is the estimated cost of each commission, and on what date is a final report of their findings to be made available to the government?

Return tabled.

TYING UP OF P.E.I. FERRIES

Question No. 517—**Mr. MacLean:**

1. Is it the intention of the government to have the MV *Confederation* and the MV *Lucy Maud Montgomery* tied up in Halifax for the winter months and, if so, what is the cost involved for wharfage, insurance, security and other matters?

2. Is it the intention to have any crew on either of these vessels for the winter months?

3. Will the MV *Lucy Maud Montgomery* and/or the MV *Confederation* be undergoing refit during part or all of the period of tie-up and, if so, what is the estimated time required for refit in each case?

4. What is the estimated cost of having one of these vessels retained at Borden or Cape Tormentine as an immediate reserve vessel, in case of breakdown of either the MV *Abegweit* or the MV *John Hamilton Gray*?

5. If the crews of the MV *Confederation* and the MV *Lucy Maud Montgomery* are being laid off, what alternative employment is being provided for them?

6. (a) If no alternative employment is being provided for the crews, what is the approximate total of the Unemployment Insurance benefits they will receive during the period of lay-off (b) will all crew members be qualified for Unemployment Insurance benefits during the whole of this period?

Return tabled.

[Mr. Honey.]

RESEARCH, DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Question No. 608—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of National Health and Welfare and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

RESEARCH, DEPARTMENT OF SOLICITOR GENERAL

Question No. 610—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of the Solicitor General and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

RESEARCH, DEPARTMENT OF MANPOWER AND IMMIGRATION

Question No. 612—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Manpower and Immigration and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

RESEARCH, DEPARTMENT OF ENERGY, MINES AND RESOURCES

Question No. 616—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Energy, Mines and Resources and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

RESEARCH, DEPARTMENT OF FISHERIES AND FORESTRY

Question No. 621—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Fisheries and Forestry and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

RESEARCH, DEPARTMENT OF VETERANS AFFAIRS

Question No. 623—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Veterans Affairs and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

RESEARCH, DEPARTMENT OF TRANSPORT

Question No. 625—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Transport and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

FEDERAL GRANTS TO QUEBEC UNIVERSITIES

Question No. 853—**Mr. Rodrigue:**

Has the Canadian Government made grants to Quebec universities during the present fiscal year and, if so, in what amounts?

Return tabled.

POLLUTION—FEDERAL RESPONSIBILITY FOR WATERS IN CANADA'S CONTINENTAL SHELF

Question No. 965—**Mr. Harding:**

1. (a) Is the federal government responsible for the drafting and enforcement of pollution regulations in those waters covering Canada's Continental Shelf and, if so, what department has jurisdiction for the pollution regulations pertaining to oil exploration in such waters (b) what are the pollution regulations specifically covering all aspects of oil exploration in such waters (c) how are these regulations enforced (d) do the federal government regulations also apply to oil leases or surveys granted by provincial authorities?

2. What other government departments have pollution regulations which may apply to the above waters?

Return tabled.

IMMIGRATION SINCE 1960

Question No. 1,369—**Mr. MacDonald (Egmont):**

1. By year, how many people have immigrated to Canada since 1960?

2. What number by nationality?

3. How were these people settled by provinces?

4. What steps are being taken to expand immigration to the Atlantic Provinces?

Return tabled.

Mr. Carter: I ask the Leader of the House for the fourth time when I may expect an answer to question 516 which has been on the order paper since November 20.

Mr. Macdonald (Rosedale): I shall have to make further inquiries, Mr. Speaker.

Mr. Diefenbaker: May I refer once again to starred question No. 1,265, dated February 18, asking how many letters, telegrams and other communications criticizing or condemning the white paper on taxation in whole or in part have been received by the Minister of Finance since January 1, 1970. I understood that the minister was going to provide an answer today.

Mr. Gray: Mr. Speaker, perhaps I can respond to the hon. member's question. We expect to have an answer shortly.

Mr. Diefenbaker: Mr. Speaker, this is playing fast and loose with Parliament. Even though they may prove embarrassing to the government, answers to starred questions should not be delayed in this way. There is nothing more serious than the manner in which this government treats the House with sublime contempt in respect of questions which should be answered. What do starred questions mean? This question has been left unanswered from February 18 to March 11. I know it is difficult for the government to count the innumerable letters and telegrams they have received and I understand how embarrassing this is. But the truth should not be hidden from this House.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): May I point out, Mr. Speaker, that 68 questions were answered today and that more than 70 per cent of the questions asked this session have already been answered.

[*Later:*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to ask the House to permit me to withdraw questions Nos. 1,242 and 1,243 which both deal with the *Arrow* tragedy and will both be answered, I believe, in the course of the judicial inquiry.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

U.S. Oil Import Restrictions

MOTION TO ADJOURN UNDER S.O. 26

OIL

U.S. IMPORT RESTRICTIONS—EFFECT ON CANADIAN ECONOMY—RESPONSE OF GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I ask leave, seconded by my hon. friend from Waterloo, to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the announcement by the President of the United States on Canadian oil exports, its effect on the Canadian economy, and the response of the Canadian government to the arbitrary and unilateral action taken by the United States government.

• (2:40 p.m.)

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands has given the Chair the notice required under Standing Order 26. As hon. members know, in determining whether an emergency debate should be granted the Chair must take into account, along with other factors, the probability of the matter being brought before the House within a reasonable length of time by other means. As the hon. member for Nanaimo-Cowichan-The Islands knows, and as is known by the House, there will be a budget presentation tomorrow followed by a budget debate within the next ensuing days. It seems to me there will thus be ample opportunity for the hon. member and others interested in this very important and urgent matter to consider it during the course of the debate.

It would appear, therefore, that the Chair would not be justified in allowing an emergency debate at this time under the provisions of Standing Order 26.

[*Translation*]

AGRICULTURE

DAIRY POLICY—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 26, I move, seconded by the hon. member for Richmond (Mr. Beaudoin), the adjournment of the House for the purpose of discussing an important and urgent matter, namely concurrence in the first report of the standing committee on Agriculture, tabled in the House on February 17 last, whose recommendations must be discussed before the announcement of the dairy policy of the government for the coming year, that is before March 31, 1970.

Mr. Speaker: As the previous speaker, the member for Bellechasse (Mr. Lambert), pursuant to the provisions of Standing Order 26, has sent the Chair a notice of motion which he wishes to introduce and this has given me the opportunity to look into it carefully.

As the hon. member said, a motion has already been introduced in order to approve the report to which the hon. member referred and debate on this motion began on February 19, a debate which went on for some time on this occasion.

The order of the day for resuming debate is still standing in *Routine Proceedings* and, of course, this debate might be taken up again at any time at the discretion of the government. Finally—and this is the major aspect—I must point out that the near future will likely provide several opportunities for discussing this question. More particularly, I remind the hon. member that the budget debate which will begin tomorrow night will be carried on next week. I regret that, for these reasons, I cannot accept the motion proposed by the hon. member for Bellechasse.

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 334 and 361 are acceptable to the government.

[*English*]

Mr. Speaker: Is it the pleasure of the House that Notices of Motions Nos. 334 and 361 be deemed to have been adopted?

Some hon. Members: Agreed.

ELECTRIC REDUCTION COMPANY PLANT—CORRESPONDENCE WITH BEDFORD INSTITUTE OF OCEANOGRAPHY

Motion No. 334—**Mr. Carter:**

That an Order of the House do issue for a copy of all correspondence exchanged between the Government of Canada or any of its representatives and the Bedford Institute of Oceanography relating to the establishment of the Electric Reduction Company's Plant in Long Harbour, Newfoundland.

Motion agreed to.

DOCUMENTS CONCERNING EXTRA BENEFITS FOR SUPERANNUATES

Motion No. 361—**Mr. McCleave:**

That an Order of the House do issue for documents sent by the Personnel Policy Branch, Treasury Board Secretariat, to those groups which are the bargaining agents for employees in the Public Service (including Armed Forces and RCMP), relating to the statement of the President of the Treasury Board on December 19, 1969, in the House of Commons concerning extra benefits for superannuates.

Motion agreed to.

[*Translation*]

Mr. Forest: Mr. Speaker, notices of motions Nos. 133 and 149 are acceptable to the government, subject to the usual conditions as regards confidential documents and to the approval of the government authorities concerned.

[*English*]

Mr. Speaker: Subject to the reservations or conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that Notices of Motions Nos. 133 and 149 be deemed to have been adopted?

Some hon. Members: Agreed.

EXPORT OF LOW-COST GOODS TO CANADA

Motion No. 133—**Mr. Saltsman:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all current agreements or arrangements between Canada and other countries regarding the latter's restraints on the export of 'low-cost' goods to Canada.

Motion agreed to.

JET AIRCRAFT ANTI-POLLUTION REGULATIONS

Motion No. 149—**Mr. Harding:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all recent correspondence between the Government of Canada and the Government of Ontario regarding anti-pollution regulations for jet aircraft.

Motion agreed to.

[*Translation*]

Mr. Forest: Mr. Speaker, would you be so kind as to call notices of motions Nos. 53, 54, 187, 188, 189, 190, 191, 197, 245, 248, 249, 250, 272, 289, 319, 320, 324, 352, 370, 372 and 385?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

"MANHATTAN" PROJECT—DEPARTMENT OF EXTERNAL AFFAIRS AND HUMBLE OIL COMPANY

Motion No. 53—**Mr. Thomson:**

That an Order of the House do issue for a copy of all correspondence between the Department of External Affairs and the Humble Oil Company and its partners in relation to the *Manhattan* project.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: Stand.

"MANHATTAN" PROJECT—DEPARTMENT OF EXTERNAL AFFAIRS AND U.S. GOVERNMENT

Motion No. 54—**Mr. Thomson:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Department of External Affairs and the United States Government in relation to the *Manhattan* project.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: Stand.

MANAGEMENT SYSTEM, EQUIPMENT ACQUISITION PRODUCTS

Motion No. 187—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Peat, Marwick, Livingstone and Company, Boston, USA undertaken for the Department of Defence Production in 1965 on the development of an effective management system for equipment acquisition products, mentioned in answer to Question Number 1,323 of the past Session.

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the report referred to was commissioned as a working document for the internal use of the former department of defence production. As such it is considered confidential and not in the public interest to table. In these circumstances I hope that the hon. member will be willing to withdraw the motion.

Mr. Skoberg: Mr. Speaker, I believe that a working document, if it does not contain names, should not be confidential and I would ask for a vote at this time.

Mr. Macdonald (Rosedale): Transfer for debate.

Motions for Papers

Mr. Speaker: The motion is transferred for debate.

AUTOMOTIVE VEHICLE SAFETY CODE

Motion No. 188—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by J. A. Bancroft, Ottawa, Ontario, undertaken for the Department of Defence Production in 1965 on the development of an automotive vehicle safety code, mentioned in answer to Question Number 1,323 of the past Session.

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, there is no specific report resulting from the work undertaken by Mr. Bancroft for the former Department of Defence Production. Mr. Bancroft's services were retained to provide technical advice in the preparation of the automotive vehicle safety code, and not to prepare a consultant's report. I therefore hope that the hon. member may be willing to withdraw the motion.

Mr. Skoberg: I will withdraw it.

Order discharged and motion withdrawn.

PLANNING, PROGRAMMING AND BUDGETING, DEFENCE PRODUCTION

Motion No. 189—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Peat, Marwick, Livingstone and Company, Boston, USA, undertaken for the Department of Defence Production on the development of departmental planning, programming and budgeting system, as mentioned in answer to Question Number 1,323 of the past Session.

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the answer is the same as the one just given in reply to motion for the production of papers No. 187. I therefore ask the hon. member again to withdraw.

Mr. Skoberg: I make the same request for a vote.

Mr. Macdonald (Rosedale): And I make the same request.

Mr. Speaker: Transferred for debate.

PROJECT MANAGEMENT IMPROVEMENT PROGRAM, DEFENCE PRODUCTION

Motion No. 190—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Peat, Marwick, Livingstone and Company, Boston, USA, undertaken for the Department of Defence Production on the development of an effective project management improvement program, as mentioned in answer to Question Number 1,323 of the past Session.

[Mr. Macdonald (Rosedale).]

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the answer is the same as the one just given in reply to motions for production of papers Nos. 187 and 189. I would ask that it be withdrawn.

Mr. Skoberg: The same request.

Mr. Macdonald (Rosedale): And the same.

Mr. Speaker: Transferred for debate.

AUTOMOTIVE VEHICLE SAFETY CODE

Motion No. 191—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by J. A. Bancroft, undertaken for the Department of Defence Production in 1968 on the further development of the automotive vehicle safety code, as mentioned in answer to Question Number 1,323 of the past Session.

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the reply to this motion which refers to the work done by Mr. J. A. Bancroft is the same as the reply given to the motion for production of papers No. 188. Once again, in the circumstances I trust that the hon. member will agree to withdraw the motion.

Mr. Skoberg: I agree.

Order discharged and motion withdrawn.

POLLUTION OF B.C. WATERS

Motion No. 197—**Mr. Rose:**

That an Order of the House do issue for copies of all correspondence between the Department of Fisheries and Forestry and pulp mills in British Columbia regarding the pollution of B.C. waters and the pollution guidelines of the Department.

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, it is the view of the government that the tabling of this correspondence would seriously affect the confidence and effective relationships between the department and the companies in question. Frank discussions between the parties would be inhibited and the successful relationships established between the department and the pulp mills seriously hampered. In view of this fact we should like to request of the conscientious hon. member that the motion be withdrawn.

Mr. Rose: Mr. Speaker, it is my view that information on pollution should be public. If I cannot get the information from the department then I may move in on Information Canada.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

LEATHER FOOTWEAR INDUSTRY PRODUCTIVITY

Motion No. 245—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by John L. Schwab Associates on productivity in the Canadian Leather Footwear Industry undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the past Session.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Industry, Trade and Commerce is willing to table copies of the consultant's three volume report which contains his evaluations, appraisals and recommendations. There is some supporting data of a highly technical nature which is not available in sufficient copies to permit tabling. However, the minister would be pleased to show it to the hon. member or anyone else who may wish to see it.

Mr. Skoberg: Agreed, Mr. Speaker.

Motion agreed to.

CANADIAN COMMUNICATIONS SATELLITE SYSTEMS—NORTHERN ELECTRIC REPORT

Motion No. 248—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Northern Electric Company Limited on Canadian Communications satellite systems undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the past Session.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Industry, Trade and Commerce wishes to inform the member that the report in question contains proprietary information, disclosure of which is prohibited by the agreement under which Northern Electric Company Limited supplies this report to the government. In these circumstances the minister would respectfully ask the hon. member for Moose Jaw to withdraw his motion.

Mr. Skoberg: Mr. Speaker, I believe we should have further information and I would ask for a vote on this.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

DESIGN IN CANADIAN INDUSTRY

Motion No. 249—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Price Waterhouse Associates on a survey of design in Canadian industry undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the past Session.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Industry, Trade and Commerce wishes to inform the hon. member that he is willing to table copies of this study with the exception of certain supplementary information which was submitted, in addition to the report, by the consultant. This supplementary information deals with the establishments which were canvassed for the study, completed questionnaires and similar information which was received on a confidential basis.

Mr. Skoberg: Agreed, Mr. Speaker.

Motion agreed to.

CANADIAN COMMUNICATIONS SATELLITE SYSTEM—RCA VICTOR REPORT

Motion No. 250—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by RCA Victor Company Limited on a Canadian Communications satellite system undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1968-69, as mentioned in answer to Question number 1,323 of the past Session.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Industry, Trade and Commerce wishes to inform the member that the report in question contains proprietary information, disclosure of which is prohibited by the agreement under which RCA Victor Company Ltd. supplied this report to the government. In these circumstances, the minister would ask the hon. member for Moose Jaw to withdraw his motion.

Mr. Skoberg: Mr. Speaker, I would not want to be partial so I believe I should call for a vote.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

Motions for Papers

GULF OF GEORGIA OIL DRILLING COST—BENEFIT STUDY

Motion No. 272—**Mr. Rose:**

That an Order of the House do issue for a copy of the cost-benefit study undertaken in the Department of Fisheries and Forestry regarding drilling for oil in the Gulf of Georgia as mentioned by the Minister of Fisheries and Forestry.

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, the Department of Fisheries and Forestry is undertaking a cost-benefit analysis regarding the drilling for oil in the Strait of Georgia. However, it will be a considerable time before it is completed. In view of the fact that there is therefore no report available at the present time, may I suggest to the hon. and reasonable member that he may wish to withdraw his motion.

Mr. Rose: Mr. Speaker, since I am always honourable and reasonable and since the minister in question has called for an underwater national park in this particular area I can therefore assume that the cost must be greater than the benefit.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

DEFENCE PRODUCTION SHARING—CANADIAN FIRMS EXPORTING TO U.S.

Motion No. 289—**Mr. Broadbent:**

That an Order of the House do issue for a list of all Canadian firms exporting products to the United States, under the Canada-U.S. Defence Production Sharing Agreement from its inception in 1959 to November 30, 1969, listing the specific materials, components, etc., exported and the dollar aggregates involved.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move the motion on behalf of the hon. member.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the information requested is not releasable since it is provided to the Canadian government for statistical purposes only and on the understanding that it is to be treated as commercially confidential affecting the competitive position of the companies involved. In view of this, the minister would ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Question!

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

[Mr. Speaker.]

REPORT ON POLICY AND PLANNING BRANCH, ENERGY, MINES AND RESOURCES

Motion No. 319—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Operation Research Industries Limited undertaken for the Department of Energy, Mines and Resources regarding a quantitative assessment of the Policy and Planning Branch as mentioned in answer to Question Number 2,452 of the past Session.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the report is an internal working document relating to the internal organization of this section of the department; its release is not considered to be in the public interest. Under these circumstances it is suggested that the hon. member be requested to withdraw his motion.

Mr. Skoberg: Mr. Speaker, I will put that to a vote.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

REPORT ON WATER SURVEY OF CANADA DIVISION

Motion No. 320—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by James F. MacLaren Limited undertaken for the Department of Energy, Mines and Resources regarding a review of the Water Survey of Canada Division as mentioned in answer to Question Number 2,452 of the past Session.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is the same as the previous answer to Notice of Motion No. 319.

Mr. Skoberg: And a like request.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

PRIMARY DISTRIBUTORS, CANADIAN GOVERNMENT SECURITIES

Motion No. 324—**Mr. Saltsman:**

That an Order of the House do issue for a copy of a list of (a) the approximately 200 primary distributors of Government of Canada marketable securities, and (b) the primary distributors who are at present eligible to enter into purchase and resale agreements with the Bank of Canada, as mentioned in answer to Question Number 65 and reported in *Hansard* of December 17, 1969 at page 2067.

Hon. Herb Gray (Minister without Portfolio): Mr. Speaker, inclusion of a firm at any particular time in the requested lists depends on its being actively and continuously engaged in the distribution of trustee-type securities and in its demonstrated ability to market government of Canada securities. Composition of these lists changes from time to time. Publication of these lists as at a certain date could lead to unfair reflection on a firm which happened to be omitted at that particular time. For this reason and, in the case of Part (b) of the motion, because of the banker-client relationship involved and because the number of primary distributors eligible to enter into purchase and resale agreements with the Bank of Canada changes from time to time, it is not considered in the public interest to publish the lists requested, and it has not been the practice of government to do so. In the circumstances, I hope the hon. member will agree to withdraw the motion.

Mr. Saltsman: Mr. Speaker, I cannot accept the minister's need for secrecy in this particular matter. I believe it would be in the public interest to disclose the dealers.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

STUDY OF GOLD MINING OPERATIONS

Motion No. 352—**Mr. Peters:**

That an Order of the House do issue for a copy of the study on gold mining operations undertaken in the Department of Energy, Mines and Resources as mentioned by the Minister of Energy, Mines and Resources and reported in *Hansard* of January 23, 1970, at page 2738.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as the hon. member knows, the Emergency Gold Mining Assistance Act will expire on December 31, 1970. The study relating to gold mining in Canada is under way at the present time. It is expected to be completed by the middle of this year. On receipt of the report a decision will be made on whether it will be made public. In view of this, I hope the hon. member will withdraw his motion.

Mr. Peters: Question, Mr. Speaker.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

Motions for Papers

INDIAN LAND AND TREATY CLAIMS AND ABORIGINAL RIGHTS

Motion No. 370—**Mr. Howard (Skeena):**

That an Order of the House do issue for copies of all correspondence, telegrams and other documents exchanged between Dr. Lloyd Barber and the Native Indian peoples organizations across Canada regarding the matter of Indian land and treaty claims and aboriginal rights.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the commissioner that it would not be in the best interests of the commission and the native Indian peoples to make these documents public. I would hope, therefore, that the hon. member would agree to withdraw this motion.

Mr. Howard (Skeena): Mr. Speaker, it is pretty presumptuous for the commissioner to decide what is in the best interests of the Indian people. Let them decide.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

BACKGROUND PAPERS AND REPORTS ON TAX REFORM PROPOSALS

Motion No. 372—**Mr. Saltsman:**

That an Order of the House do issue for copies of all background papers and reports related to Chapter 8 of the Government White Paper on Proposals for Tax Reform regarding the impact on revenues and the economy.

Hon. Herb Gray (Minister without Portfolio): Mr. Speaker, the papers and reports requested by the hon. member are internal working papers prepared for ministers by departmental officials and, as such, are privileged documents. In view of this I hope the hon. member will consider withdrawing his motion.

Mr. Saltsman: Mr. Speaker, in view of the uncertainty regarding the impact of these taxes I think it would be very much in the public interest that they be made public.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

PHASE-OUT OF U.S. ARGENTIA NAVAL BASE

Motion No. 385—**Mr. Lewis:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all the correspondence,

memoranda, communications, etc., between the Government of Canada and the Government of the United States regarding the phase-out of the United States Argentia naval base in Newfoundland.

[*Translation*]

Mr. Jean-Pierre Goyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the documents requested are part of confidential discussions with the United States government, and I therefore ask the hon. member to withdraw the motion.

Mr. Knowles (Winnipeg North Centre): Question!

[*English*]

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Howard (Skeena): Mr. Speaker, before we proceed to the next item, although I see that the Solicitor General is not with us at the moment I wonder whether I might make an inquiry in respect of Notice of Motion No. 356 which relates to the food strike or protest sitdown at Prince Albert penitentiary just before Christmas. This Notice of Motion has been on the order for about five weeks now. I wonder whether some indication could be given concerning when this might be dealt with.

Mr. Forest: Mr. Speaker, I will bring this matter to the attention of the minister.

Mr. Marshall: Mr. Speaker, I should like to draw attention to Notices of Motions for the production of papers No. 345 and No. 346. It seems strange to me that these papers could nt be produced before now since the Minister of Regional Economic Expansion has made an announcement which has to do with these papers.

Mr. Speaker: Shall the remaining Notices of Motion stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*Translation*]

AIRPORTS

STE SCHOLASTIQUE—TABLING OF DOCUMENTS CONCERNING SITE

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to ask a question of the Minister of Transport.

[Mr. Lewis.]

Since the Quebec Minister of Municipal Affairs this morning agreed to Ste Scholastique as the site of the proposed international airport and tabled all the relevant papers, I should like to know whether the Minister of Transport in turn intends to table in the House the federal government file in order that the Canadian people might be adequately informed on that long-standing issue?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in so far as the general comments made by the minister from the province of Quebec are concerned I have not yet seen these and naturally would prefer to have an opportunity to peruse them before making any detailed comment. I would hope to give a more definite answer tomorrow.

[*Translation*]

STE SCHOLASTIQUE—PREPARATION AND DEVELOPMENT OF AREA

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion.

The Quebec Minister of Municipal Affairs stated this morning that land development was the concern of the province. Does the minister agree with this statement? If so, will he soon meet with the Quebec authorities for the purpose of determining this policy?

Mr. Speaker: I do not think that the first part of the hon. member's question is in order, but the minister may wish to answer the second part.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Yes, Mr. Speaker. We are in contact with the Department of Municipal Affairs of Quebec and we are trying to establish structures in order to ensure the orderly development of the Ste Scholastique region.

Mr. Asselin: Mr. Speaker, I should like to put another supplementary question to the Minister of Regional Economic Expansion.

Does he intend to co-operate with the Minister of Municipal Affairs of Quebec in order to make the development of the territory economically possible?

Mr. Marchand (Langelier): Mr. Speaker, I am ready to co-operate in that respect.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I want to put a question to the Minister of Transport.

I should like to point out to the minister that, as an answer to a question asked in the House on January 30, he had undertaken to make a statement in order to give detailed information about this airport. As he did not follow through and as the Minister of the Municipal Affairs of Quebec stated this morning that the government had given no answer to the proposals of Quebec about economic development and expansion, I should like to ask him whether he intends nevertheless to carry on the work at the Ste Scholastique airport without having agreed about that beforehand with the government of Quebec?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in reply to the latter part of the question, I indicated earlier that discussions were going on, and in fact I have had conversations with the Minister of Municipal Affairs for the province of Quebec. I apologize to the hon. member and to the House for not having made the promised statement earlier, but the fact is that these negotiations are a necessary preliminary to that statement and they are not yet completed.

[*Translation*]

Mr. Valade: Mr. Speaker, I should like to put a supplementary question to the Minister of Transport.

Considering the particular circumstances and the urgency of the question, I would like to ask him if he would undertake to make a statement in the House either tomorrow or the day after, with regard to the construction of the Ste Scholastique airport?

[*English*]

Mr. Jamieson: As I indicated in reply to an earlier question, I will take a close look at the reported statements of the spokesmen for the province of Quebec and will be governed accordingly.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary question of the Minister of Transport.

Are the discussions taking place now with representatives of the province of Quebec still connected with changing the airport site? Is this a final decision, and will the government proceed with the construction of this airport?

[*English*]

Mr. Jamieson: I can say unequivocally that the site is Ste Scholastique, that we are proceeding, that a number of important contracts have already been let, that as soon as the ground is free of snow the clearing will get under way, and I hope there will be no unnecessary impediment to the provision of a good deal of labour in that area.

[*Translation*]

Mr. Valade: Mr. Speaker, I have a supplementary question for the Minister of Transport.

In view of the reply he has just given, could he tell us clearly and specifically whether the federal government intends to carry on with the project even if Quebec does not accept the regional development and the land use proposed?

[*English*]

Mr. Jamieson: Mr. Speaker, I suggest that this is essentially a hypothetical question, but if we have to go it alone, we will.

An hon. Member: That is what 30-buck Benson said.

Mr. Ricard: You are passing the buck, as usual.

OIL

REPORTED WILLINGNESS OF CANADIAN GOVERNMENT TO IMPOSE RESTRICTIONS ON EXPORTS TO U.S.—GENERAL ENERGY POLICY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Prime Minister and at the same time welcome him back from Canada's Arctic, over which I trust Canadian sovereignty reigns supreme. In view of the statement by Philip Trezise, the Assistant Secretary of State for Economic Affairs in the U.S. government, to the effect that the Canadian government fully understood the need for the cutbacks in shipments of Canadian oil to the United States, and that if Washington had not imposed these cutbacks the Canadian government would have done so, I ask whether the Canadian government concurred in the cutbacks and was prepared to impose these restrictions at the request of the U.S. government.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is not true, of course, that the Canadian government concurred in the action taken by the U.S. government in imposing a limitation on imports from Canada into the United States. It is true,

as the hon. gentleman knows and as is known particularly by those who were responsible at the beginning for the negotiation of the open border between Canada and the United States, that there was always an underlying agreement for restraint on the part of Canada. During these negotiations we offered to continue the policy of restraint. That, however, was rejected by the U.S. government because the figures at which we were prepared to apply restraint were very much larger than they were willing to accept.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I ask the Prime Minister, in view of the recommendations of the presidential task force headed by Mr. George Shultz, Secretary of Labour, suggesting that any removal of curtailment of Canadian shipments of oil to the United States should be contingent upon an energy package policy, whether any discussions are going on regarding an energy package policy. Also, can the Prime Minister assure the House that before any agreement is signed in this regard, the House will have a full opportunity to become acquainted with the nature of the agreement?

Mr. Sharp: First of all, I would like to deny that there is any necessary relationship between any future action on the part of the United States and the removal of restrictions on imports of oil from Canada. I believe they took action in the interest of maintaining some stability in the oil industry in the United States. There have been some discussions of a peripheral character with respect to an exchange of energy. There has been no decision of any kind on a continental policy or anything similar. I said in a statement the other day that we were seeking harmonious policies between our two countries. I think that is what we should be pursuing.

Mr. Speaker: The hon. member for Crowfoot.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. Is the hon. member for Nanaimo-Cowichan-The Islands rising on a point of order?

Mr. Douglas (Nanaimo-Cowichan-The Islands): Yes, Mr. Speaker. I asked the Prime Minister for a certain assurance and have twice received evasive replies from the Secretary of State for External Affairs. Surely the House is entitled to a reply from the Prime Minister, particularly when a question is asked about a very important matter of government policy.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, speaking on the point of order raised by the hon. member, may I say that I am busily reading the debate that took place last Thursday during which I was accused of exercising too much power. I thought it would be nice if I let some ministers exercise it.

An hon. Member: Why don't you do that all the time?

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. In view of the fact that the recent increase in Canadian crude exports was largely the result of Canadian entry into the Chicago market, and that entry into the Chicago market was the benefit which Canada was to obtain for restricting its exports under the 1967 secret agreement, does the government not feel that this cutback of one-third of Canada's exports to the United States is the beginning of a squeeze by the U.S. government on our whole economy as a result of other actions of this government?

Mr. Sharp: No, Mr. Speaker.

An hon. Member: What other action?

Mr. Horner: I will explain that later.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I put a further supplementary question to the Secretary of State for External Affairs. Is it the intention of the Minister of Energy, Mines and Resources to make another trip to Washington to discuss this matter with Secretary Hickel?

Mr. Sharp: As the Minister of Energy, Mines and Resources said yesterday, we do not agree with the action of the United States in imposing these restrictions. We understand they are temporary: that is our view and our belief. I am sure that all members of the House, even including members of the New Democratic Party, will want to have this restriction removed.

[*Translation*]

INDUSTRY

GOLD MINES—POLICY RESPECTING GRANTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, a question for the Minister of Regional Economic Expansion.

Since the government will decide this year whether subsidies are to be paid to gold mines over the next three years, can the minister inform the House whether the government will maintain these subsidies so as not to harm the economy of the north-western region of Quebec?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, contrary to previous remarks by the hon. member, I have never stated that I was opposed to subsidies. The problem of gold mines, particularly as regards workers, is being considered by the department. We shall try to take into account the interests of the workers and the municipalities concerned in this issue.

[*English*]

TAXATION

WHITE PAPER ON REFORM—LETTERS OF PROTEST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the hope that was expressed, that participatory democracy would assure us a new world, I ask the Minister of Finance a question in connection with the letters he has received on the proposed tax reforms. Was there too much participatory democracy on the part of the Canadian people? Further, what is the reason for not answering these letters? Are the objections and complaints as numerous as the sands of the sea?

Mr. Speaker: Order, please.

Mr. Diefenbaker: I would like to know, because this looks like a flagrant disregard of Parliament.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would be most pleased to answer the hon. member's question. I have been very encouraged by the letters I have received—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Alkenbrack: But not from Kingston and the islands.

Mr. Benson: Mr. Speaker, for the first time in parliamentary history in Canada, Great Britain and anywhere where there is a parliamentary system such as ours, a government has had the guts to bring forward proposals for such tax reforms.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The minister might want to answer the question, but it seems to me that we are entering the field of debate.

Mr. Diefenbaker: I am tremendously interested in the knowledge of anatomy displayed by the minister and I ask why does he not have that particular quality in answering this question.

Mr. Benson: I will answer—

Mr. Speaker: Order, please.

[*Later:*]

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I ask the Minister of Finance a supplementary question about all these letters he is so pleased about. Among those letters was there one from the hon. member for Trinity with suggestions for dealing with the desperate plight of Canadian finance today?

[*Translation*]

EXTERNAL AFFAIRS

NIAMEY—COMPOSITION OF CANADIAN DELEGATION TO EDUCATIONAL CONFERENCE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Could he tell the House whether the Canadian government has reached agreement with the government of Quebec concerning the composition of the Canadian delegation to the Niamey conference?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, these discussions are still under way.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I would like to ask a supplementary question.

Seeing that the conference is being held this weekend, would the minister state to the House if the talks are actually at a point where the Canadian delegation will not be able to attend this conference?

[*English*]

Mr. Sharp: Yes, Mr. Speaker. On one point I can be very clear; the delegation will be led by my colleague the Secretary of State. He has already left Ottawa on his way to the conference.

Inquiries of the Ministry

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask a supplementary question.

Mr. Speaker: Order. The member for Joliette wishes to ask a supplementary question.

Mr. La Salle: Mr. Speaker, I would ask the Prime Minister if he could tell the House whether he has received from the Quebec government any recent proposals which could justify the appointment of a co-chairman for this conference?

Right Hon. P. E. Trudeau (Prime Minister): As has just been said by the Secretary of State for External Affairs, Mr. Speaker, negotiations are still under way between representatives of both governments.

Hon. Martial Asselin (Charlevoix): I wish to ask a supplementary question, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. I must bring to the attention of hon. members—

[*Translation*]

Mr. Réal Caouette (Témiscamingue): A supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member is seeking the floor on a supplementary. Order. Four or five members are rising apparently to ask supplementaries. Would the hon. member for Témiscamingue please resume his seat. I must point out to the hon. member for Témiscamingue, to the hon. member for Saint-Denis and to several others who wish to ask supplementary questions in this connection, that time is running out and it would be perhaps proper for us to proceed to something else.

Mr. Valade: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Sainte-Marie is rising on a point of order.

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

A conference in which Quebec is highly interested is being held and it must be decided today whether Quebec will participate. I believe this is an urgent matter. The Prime Minister did not give an adequate answer to the hon. member for Joliette and I would like to ask him a question about it.

[Mr. Sharp.]

[*English*]

POLLUTION

AIR—ACTION TO REDUCE LEVEL AT TORONTO INTERNATIONAL AIRPORT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of Transport. In view of the alarming degree of air pollution found at Toronto International Airport, far above the maximum safety level allowed, what steps are being taken to handle this very serious situation?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I indicated some weeks ago that Canadian airlines have been requested to adapt the exhausts of their jet engines to lower the level of pollution. They have undertaken to do this voluntarily. I am hoping the whole program can be completed within three years.

NATIONAL PARKS

NORTHWEST TERRITORIES—SETTLING OF ABORIGINAL RIGHTS BEFORE DEVELOPMENT

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Has he agreed to the request that the aboriginal rights to land in the Northwest Territories be settled before any lands are set aside for national parks in that territory?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have met with the representatives of the Indian Federation of the Northwest Territories and we had a discussion on the matter. It has been agreed that the representatives of the Indian Federation of the Territories will meet the experts of my department working on the development of a park in that area. In addition, when I visit the Northwest Territories during the stay of Her Majesty the Queen in Canada, on July 8, I will again meeet the representatives of the Indian Federation of the Territories in that connection.

FINANCE

REPLY TO LETTER FROM QUEBEC FINANCE MINISTER

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to ask the Minister of Finance a question.

Can he tell the House whether he intends to reply to the letter which was sent to him by the Quebec Minister of Finance on February 26 last and which was tabled in the Quebec legislature yesterday?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, an answer to this letter is being prepared.

POLLUTION

SECOND VOYAGE OF "MANHATTAN"—AGREEMENT OF HUMBLE OIL COMPANY TO REGULATIONS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Your Honour may recall that I asked this question of the Secretary of State for External Affairs on Monday, and he indicated that the Minister of Transport would be prepared to reply today. Assuming it has been brought to the minister's attention, is the minister now prepared to state whether the Humble Oil Company has agreed to the regulations required by the Canadian government? Also, would the minister table the regulations with which the *Manhattan* is expected to comply?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I do not have a formal letter of compliance from Humble Oil at the moment, but we have had every indication that they are prepared to comply. The list of requirements is now in the final draft stage. We have carried out a preliminary study of the ship and the list of requirements and general assessments as a result of that study is now being prepared. As I mentioned earlier in the House there is no reason why this list should not be tabled, I hope before the end of the week.

Mr. Nesbitt: As a supplementary question, Mr. Speaker, could the minister give us the date of the sailing of the *Manhattan*? Also, has a draft of these requirements been sent to the Humble Oil Company? If not, how could they reply?

Mr. Jamieson: Mr. Speaker, I shall try to go over this matter step by step in as brief a time as you will permit. In the first instance, I repeat that we carried out a preliminary investigation of the ship over the last weekend to give us an idea of what is in place now. Having done that, the inspectors are writing, indicating what additional steps they think should be taken. This list of steps is being drafted and will be sent to Humble Oil. It will be tabled in this House, I hope before the end of this week. As to the date of sailing, that will be around April 1. But there will not be any sailing unless and until these regulations have been met.

HOUSE OF COMMONS

EFFECT OF HATE LITERATURE BILL ON PARLIAMENTARY IMMUNITY

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I ask the Solicitor General this question. If in free expression in this chamber any member brings himself within the terms of the hate literature bill, would the normal parliamentary immunity apply to that member?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker—

Mr. Speaker: Order, please. I would not think that the question as asked is in order as a verbal question at this time. I would think it might be placed on the Order Paper. At the same time, it seems to me the hon. member is asking for the expression of a legal opinion and I do not think the question is in order.

INDUSTRY

TERMS OF REFERENCE OF EXAMINATION OF FOREIGN OWNERSHIP

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to address a question to the Minister without Portfolio from Windsor West. Is he prepared to provide the House, and consequently the public, with the terms of reference regarding his examination of foreign ownership of industry in Canada?

Hon. Herb Gray (Minister without Portfolio): Mr. Speaker, this task is being carried out as part of cabinet duties, and it is a matter for the decision of cabinet and the Prime Minister.

Mr. Howard (Skeena): A supplementary question, Mr. Speaker. I am trying to determine whether under the aegis of the minister's study he is taking account of the question of international unions as well as international companies.

[*Translation*]

CANADIAN NATIONAL RAILWAYS

CLOSING OF CERTAIN STATIONS

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Transport.

Inquiries of the Ministry

Does the minister know that a certain party, by the name of J. A. Gauthier, an employee of the Canadian National, is presently rudely soliciting members of certain municipal councils in the Province of Quebec in order to obtain their agreement with regard to the shutting-down of some stations? If so, what gives this individual the right to make threats?

Mr. Speaker: The hon. member's question should be placed on the order paper.

[*English*]

THE BUDGET

METHOD OF RELEASE OF TEXT OF SPEECH

Mr. P. M. Mahoney (Calgary South): Mr. Speaker, my question is for the Minister of Finance and concerns tomorrow evening's trans-Canada release of the text of his budget speech. In view of the emerging commercial significance of former fur trading posts such as Edmonton which are not endowed with an agency of the Bank of Canada, does the minister intend to follow the precedent established in the release of the white paper on taxation by using the district offices of the Department of National Revenue?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker, we shall follow the usual budgetary procedure and use Bank of Canada offices.

EXPECTATION OF INCREASE IN OLD AGE ASSISTANCE

Hon. J. W. Monteith (Perth): Mr. Speaker, I should like to ask the Minister of Finance about a statement by Senator Croll concerning increased old age assistance. I quote from a newspaper report as follows:

> I think we can expect that will be looked after in the budget. It is more than hoped; I think we can expect it.

I wonder whether this is government policy, and can we expect it to be announced tomorrow night in the budget?

Mr. Speaker: Order, please. I do not think the question as asked is in order. The hon. member for Cumberland-Colchester North.

Mr. Monteith: On a point of order, Mr. Speaker, this looks to me very much like a budget leak and it seems to me the question should be answered.

Mr. Speaker: Order, please. I suggested to the hon. member that the question as asked was not in order. He was asking whether a statement made by a Senator or person other than a member of the government represented government policy. The question in those terms was not in order. However, if the hon. member has another angle he would like to inquire about, the minister might wish to reply.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would simply say that I believe Senator Croll knows about as much about what is in the budget as my hon. friend.

In answer to the previous question, the reason I am pleased with the letters is that they contain so much constructive comment, unlike the comment—

Mr. Speaker: Order, please. The hon. member for Cumberland-Colchester North.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to ask a supplementary question.

Mr. Speaker: Order. The hon. member wishes to ask a supplementary question but here again I must remind hon. members that there are only a few minutes left before the end of the question period. I was hoping that many hon. members would have the opportunity to ask their questions, and that is why I intended to recognize.

[*English*]

Order, please. I have recognized the hon. member for Cumberland-Colchester North.

[*Translation*]

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

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

Mr. Caouette: With all due respect, Mr. Speaker, I realize that some hon. members and, more especially, some party leaders are allowed to ask up to ten supplementary questions. I beg to ask a second one in the whole afternoon and I am asked to resume my seat. I simply wish to ask a question of the Minister of Finance.

Mr. Speaker: Order. I will be pleased to recognize the hon. member in a moment, but I have now recognized the hon. member for Cumberland-Colchester North.

[*English*]

REGIONAL ECONOMIC EXPANSION

ASSISTANCE FOR NOVA SCOTIA HIGHWAY PROGRAM

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I should like to address a question to the Minister of Regional Economic Expansion. Could the minister indicate when he will be making an announcement as to the assistance that will be provided to the province of Nova Scotia to carry out its highway program?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, it will be at the same time as the agreement is signed with the province of Nova Scotia.

[*Translation*]

TAXATION

WHITE PAPER ON REFORM— ANSWERS TO LETTERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask the Minister of Finance a question.

He was saying awhile ago that he has been receiving a great number of favourable letters from the Canadian taxpayers since they became acquainted with the white paper. Could the minister tell us if he answers all the letters received from Canadian citizens or taxpayers about the white paper?

[*English*]

Hon. E. J. Benson (Minister of Finance): Yes, Mr. Speaker—and I hope my hon. friends opposite will not complain if I have to get extra staff to help me.

Mr. Bell: Use some of the Prime Minister's.

CONSUMER AFFAIRS

RETENTION BY RETAILERS OF PRICE REDUCTIONS INTENDED TO BENEFIT CONSUMERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Is his department investigating the practice of some retailers in not passing on savings which are apparently intended for the consumer? For example, if on a pound of coffee it is indicated that there is a reduction of six cents from the original price, is his department investigating the practice of some retailers in not passing on this saving to the consumer but retaining it for themselves?

Inquiries of the Ministry

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure that I follow the example and I wish the hon. member would send it to me. We have charged and have had a number of people convicted who have been using cents-off transactions to misrepresent the price of goods to consumers.

HEALTH AND WELFARE

FORMATION OF NATIONAL YOUTH POLICY— WELFARE COUNCIL RECOMMENDATIONS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the Minister of National Health and Welfare. However, in his absence I might be permitted to direct it to the Parliamentary Secretary. Could the Parliamentary Secretary indicate whether the minister has had the opportunity to review the recommendations set forth in the recent Canadian Welfare Council report, outlining a number of initiatives which the federal government might consider respecting the formation of a national youth policy? Also, could the Parliamentary Secretary indicate whether the minister will be making a statement on motions concerning this matter?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will make inquiries of the minister.

NORTHERN AFFAIRS

REQUEST FOR STATEMENT ON ARCTIC DEVELOPMENT POLICY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister, now that he has returned from his extensive tour of the Arctic, report to the House his conclusions regarding a national policy to develop our last great frontier?

Mr. Speaker: Order, please. I would hope the Prime Minister would not make such a statement now. I would think a statement of this nature would have to be made on motions.

Mr. Paproski: A supplementary question, Mr. Speaker. Surely the Prime Minister is able to give us one drum solo, or is he through beating his own drum?

Inquiries of the Ministry

COMBINES

REPORT ON NATIONAL HOCKEY LEAGUE ACTIVITIES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to address a non-musical question to the Minister of Consumer and Corporate Affairs. Did he receive recently a report and certain recommendations concerning possible combine activities of the National Hockey League? If he did, when is the minister prepared to make this report public?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I have stated many times, inquiries under the Combines Investigations Act are kept secret until such time as a report is made by the Restrictive Trade Practices Commission or a charge is laid in the courts.

INQUIRY AS TO NEW ACT

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker, to the Minister of Consumer and Corporate Affairs. As a result of the Young Commission and the discussions that have taken place in recent weeks, does the government intend to bring in a new combines act?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I explained to the House several times and in the committee yesterday, we are working overtime in the department to produce a revised combines act which, as we said in the Speech from the Throne, we hoped would be introduced in this session.

Mr. Diefenbaker: Will it be introduced in this session, or will it be postponed?

Mr. Basford: We certainly hope it can be introduced before the end of June, Mr. Speaker.

AMENDMENTS RELATING TO PROFESSIONAL SPORT

Mr. Warren Allmand (Notre-Dame-de-Grâce): A supplementary question, Mr. Speaker. Does the minister intend to introduce amendments to the Combines Investigation Act relative to professional sports? Is this being planned right now?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my hope to introduce a complete revision of the Combines Investigation Act. Specific provisions of the act will be revealed when the bill receives first reading.

POLLUTION

CHEDABUCTO BAY—REIMBURSEMENT OF EXPENSES OF PROVINCIAL DEPARTMENTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Transport concerning pollution control costs caused by the sunken oil tanker *Arrow* in Chedabucto Bay. As the minister is aware, some 1,200 people are employed in the fish plants in this area and in order to prevent the shutdown of these plants due to contaminated seawater, provincial authorities have expended funds in the hope of finding other sources of water. My question is: Will the federal government reimburse the provincial departments of mines, fisheries, lands and forests, and others, for the expenses incurred as a result of this disaster?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, as I have stated on numerous occasions, my hope is that the polluters themselves will eventually bear the responsibility for all costs in this connection. I can tell the hon. member and the House, however, that a letter has gone, or will be going today, to the government of Nova Scotia indicating that any expenditures it undertakes will be regarded by the federal government as a first charge against the insurance money that we know is available.

AIR TRANSPORT

ARRANGEMENTS BETWEEN AIR CANADA AND EPA RESPECTING SERVICE TO MARITIMES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Transport. Has the minister been made aware of arrangements respecting air traffic through Maritime airports between Air Canada and EPA? If so, how long did it take these arrangements to come about?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have not had any formal advice from either of those airlines. In the case of Air Canada, I investigated the question which the hon. member posed the other day. There is some change contemplated. As I understand it, it will not be announced until their spring or summer schedule is put forward. It has not been given to me.

Mr. MacInnis: A supplementary question. Will the minister acquaint himself with what is common knowledge and take steps to stop arrangements made behind his back? These arrangements have been finalized. Air Canada officials and EPA officials have made public announcements on television in Cape Breton. Since this question was brought to the minister's attention some time ago, he must realize the arrangements are objectionable to the people in that area. Something should be done about their underhanded methods.

Mr. Jamieson: I do not propose to comment on the adjectives used by the hon. member other than to repeat that officially I have not had any advice on this matter. I took it up as a result of the hon. member's earlier reports, which at that time had to do primarily with the assurance of employment for Air Canada employees. I was advised, in fact, that no such employment problems would exist.

Mr. MacInnis: On a question of privilege, Mr. Speaker, the minister has referred to my earlier question and is talking about employment. At no time did I mention employment. I repeat the question, for the benefit of the minister. On February 24—

Mr. Speaker: Order, please. I bring to the hon. member's attention that we appear to be entering a debate between the minister and the hon. member. It is not a question of privilege. The hon. member might want to ask a supplementary, but I do not think he has a question of privilege.

Mr. MacInnis: I rise on a further question of privilege. The minister must be talking about a question put by someone else, because my question had nothing to do with the assurance of employment. My question was directed to the minister, and I repeat—

Mr. Speaker: Order, please. I am sure all hon. members will accept the member's statement about what he said previously. It seems this is a debate. The minister and all hon. members must accept the word of the hon. member when he says a certain statement was not uttered by him previously.

Mr. MacInnis: On a point of order, Mr. Speaker, the minister has to accept it when it is written into the record. On the point of order, the question arises as to what the minister is going to do about arrangements between EPA and publicly-owned Air Canada, when the people in the area are expressing dissatisfaction and the minister is allowing this situation to go on.

Mr. Speaker: Essentially, this is a repetition of the earlier question asked by the hon. member.

SPORTS

PAN-AMERICAN GAMES—GRANTING OF FINANCIAL ASSISTANCE TO WINNIPEG

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Supply and Services. In view of the fact that *Hansard* records many questions about Winnipeg's request for assistance in connection with the deficit with respect to the Pan American Games, and in view of the fact *Hansard* does not record what was done, will the minister seek the consent of the House to table the press release on this matter and his letter to Mayor Juba of a few days ago, and have them added to *Hansard* so the record will be complete?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the letter to Mayor Juba is of course public. I shall be very pleased to table it and accede to the request of the hon. member.

Mr. Knowles (Winnipeg North Centre): May it be made an appendix to *Hansard*, Mr. Speaker?

[*Later:*]

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker, relating to something that happened a few moments ago in the question period. I asked if the Minister of Supply and Services could be permitted to table certain documents and have them appended to today's *Hansard*. He was willing to do so, but I do not think the matter was settled. I wonder if it could be so ordered?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of documents see appendix.*]

EXTERNAL AFFAIRS

TIME REQUIRED TO PROCESS PASSPORT APPLICATIONS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to ask the Secretary of State for External Affairs a question of which I recently gave him notice. Will he indicate to the House, either now or on motions, the

normal time experienced by the department in the processing of applications for passports? I suggest the question has urgency because some people still think the situation in the passport office is the same as it was last year.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would now have to ascertain just how long a period it is. I heard recently that sometimes a passport can be obtained within a couple of days. On the other hand, I have felt it very desirable, and I repeat it here, to advise all who read *Hansard* or read about it in the newspapers to apply for their passports well in advance of travelling because delays occur later in the holiday season.

HARBOURS

CARIBOU, N.S.—IMPROVEMENTS TO FERRY TERMINAL

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. In view of the importance of the ferry service to the provinces of Nova Scotia and Prince Edward Island, can the minister advise if an agreement has now been reached between the federal government and the government of Nova Scotia regarding improvements to the ferry terminal at Caribou, Nova Scotia?

Hon. Donald C. Jamieson (Minister of Transport): Such an agreement has been reached, Mr. Speaker. I personally would be very glad to release the details of the agreement, but I would like to first consult the government of Nova Scotia to see if they have any objection. I can assure the House that agreement has been reached.

EXTERNAL AFFAIRS

UNDERSPENDING OF FOREIGN AID APPROPRIATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the fact that the appropriation for Canada's foreign aid was underspent by over $100 million last year, the largest gap between allocation and disbursement in three years, can the minister assure the House, or indicate an intention, that the new estimate of $363 million for foreign aid will actually be expended, if approved by Parliament, for the purpose for which it is voted?

[Mr. McCleave.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): I regret to say I cannot give this undertaking. I do not think the hon. member should press me. I think it is good policy for Canada to give the recipient underdeveloped countries an opportunity of deciding when they would like to have the money spent. Some countries insist that it be spent within the appropriation year, and therefore the underdeveloped country rushes into a project just to spend the money. We do not follow that policy; our moneys are available for spending at any time once committed.

REGIONAL ECONOMIC EXPANSION

REQUEST THAT MEADOW LAKE CONSTITUENCY BE DESIGNATED AS SPECIAL AREA

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Now that the minister has accepted two points in the Meadow Lake constituency for economic development and expansion, will he include the whole constituency because many other points are in dire need of works programs and development?

Mr. Speaker: The hon. member's question is a form of representation. He has to assume that the minister has noted it. Perhaps the hon. member would ask a supplementary question tomorrow: we are running short of time.

AIR TRANSPORT

AIRCRAFT SABOTAGE AND HIJACKING—ALLAYING OF PILOTS' CONCERN

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Minister of Transport. In view of the growing concern by air pilots about sabotage and hijacking, to the point that they are now considering a one-day international strike, what steps has the Canadian government taken recently to allay the fears of pilots with regard to hijacking and sabotage?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I think the House would agree that it is extremely difficult to allay such fears in total. As the Secretary of State for External Affairs and I have indicated on a number of occasions, Canada is quite prepared to participate in any international or even smaller group discussions on how best to resolve this admitted problem.

OIL

IMPOSITION OF EXPORT QUOTAS

Mr. Jack Horner (Crowfoot): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In order to comply with the United States government's ruling on Canadian oil imports into that country, is it the intention of the government of Canada to impose export quotas on the oil industry?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. No such request has been made to us.

AIR TRANSPORT

GRANTING OF ROUTES TO TRANSAIR—OPPORTUNITY TO MAKE REPRESENTATIONS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that interventions were filed before the Canadian Transport Commission by the Ontario government, Nordair and other associations over the application by TransAir for two new east-west air routes with access to Toronto, and the fact that no public hearings were held by the Canadian Transport Commission before the decision was made, will the minister say whether he will immediately use his influence in the cabinet to stay this decision and give those who have intervened an opportunity to make representations?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, a decision as to whether to hold public hearings, as the hon. member knows, is for the Canadian Transport Commission. After a decision is made, there is a means of appeal. Of course, everybody involved knows what that method is. When it comes to the question of what influence I will exert, it depends entirely on whether I receive an appeal.

GOVERNMENT ORDERS

MOTOR VEHICLE SAFETY

NATIONAL MARKS AND STANDARDS

On the order: Government Orders:

Report stage of Bill C-137, an act respecting the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another, as reported (with amendments) from the Standing Committee on Transport and Communications—the Minister of Transport.

Mr. Skoberg: I rise on a point of order, Mr. Speaker. It has been indicated in this House that the Standing Committees are most important in our parliamentary democracy. This bill has been called in the House today and the same time the Standing Committee on Transport and Communications is holding hearings on another department's estimates. I urge you, Mr. Speaker, to take into consideration the desirability of members of the transport committee being present in the House while this bill is being discussed today. Could not the business of the transport committee be postponed, in these circumstances?

• (3:40 p.m.)

Some hon. Members: Hear, hear!

Mr. Horner: Speaking to the same point of order, Mr. Speaker, I should like to express support of the suggestion which has been put forward. The bill on auto safety, which the House is to discuss, was considered in detail by the transport committee only a short time ago. Most committees do not meet on Wednesday afternoons, but the transport committee has a great deal of work to do and for some reason or another it has been decided that it should proceed today.

In my view, either the committee should cancel the arrangement to meet this afternoon, or the House should defer consideration of the bill before us, in order that members of the transport committee who are interested in the subject of auto safety may take part in the proceedings in this House and lend their wisdom to both matters which require their attention. They cannot be in two places at the same time.

Mr. Macdonald (Rosedale): Mr. Speaker, the point seems to be a reasonable one. As hon. members know, I have no control over the arrangements made for committee meetings. I understand, however, that the Parliamentary Secretary to the Minister of Transport will be intervening with the chairman of the transport committee to suggest that today's meeting be postponed until later this evening after the debate in this House has been concluded, or until another day.

Some hon. Members: Hear, hear!

Mr. Speaker: Since the difficulty seems to have been dealt with satisfactorily, the motion might be put to the House.

Hon. Donald C. Jamieson (Minister of Transport) moved that Bill C-137, respecting

the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another, as reported (with amendments) from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Mr. Jamieson moved that the bill be read the third time and do pass.

Mr. Howe: Does the minister intend to say anything on third reading of this bill?

Mr. Jamieson: Mr. Speaker, I did not intend to take the time of the House with words which would, essentially, amount to a repetition of what I have said before the committee and on second reading. But I am in the hands of the House.

Mr. W. M. Howe (Wellington-Grey): I should like to say a few words on this legislation, Mr. Speaker, because I feel it is one of the most important pieces of legislation which has been brought forward this session. It has to do with car safety and it is not necessary for me to remind hon. members, or the general public, how important this subject is to every individual in Canada.

I take this opportunity to pay tribute to the Canada Safety Council for the important work it is doing in advising people of ways and means by which they may be able to overcome the difficulties which arise in connection with motor safety and thus avoid many of the accidents which occur on our highways. I should like to refer to two or three of their pamphlets. One of these, put out in connection with a car check campaign, is headed, "Periodic car checks". The theme is: check your car, and check accidents. This is very important. After all, if a driver looks after his vehicle properly and has confidence in it, the chances of an accident are tremendously reduced.

The council has issued another bulletin on the subject of driver responsibility. Responsibility, it points out, goes hand in hand with power—and this includes horsepower. In this bulletin the council reminds motorists that they are responsible both morally and legally for the safe mechanical condition of their vehicles. This leaflet, like the last to which I referred, speaks for itself. After all, responsibility must rest upon an owner or driver of a car to see that it is in fit condition to be driven.

[Mr. Jamieson.]

A third bulletin put out by the Safety Council has to do with the diagnosis of defects in automobiles. It advises motorists to go to garages and service stations in which they have confidence and where there is likelihood that the work necessary to maintain vehicles in fit condition for highway travel will be carried out effectively. Motorists are told:

> It is most important to see and be seen, so motorists should check their lighting systems, windshield wipers and mirrors to ensure that they are working correctly.

Reading these bulletins will acquaint motorists with many other ways in which they can take their cars on to the highway with a minimum chance of an accident. In connection with this bill I should also like to pay tribute to a former member of the House, Mr. Heward Grafftey, the former member for Brome-Missisquoi.

Some hon. Members: Hear, hear!

Mr. Howe: There were occasions when he was almost jeered in this House for his persistence in keeping this subject before the attention of the government. I think he deserves the thanks and the support of all Canadians for the tremendous job he did in calling attention to the importance of car safety.

Over the years we have heard much—as well we should—about the need for research into the cause and eventual cure of cancer and heart disease. These are generally recognized as the No.1 killers of our day and age. Often overlooked, however, is the fact that the leading cause of death for persons in the age group 1-46 years is the traffic accident. I suggest that the money made available for research into the causes and prevention of traffic accidents is peanuts when compared with the amount made available for research into health problems. A greater effort must be made in the direction of auto safety because, unknown to most people, the lack of it has become one of the biggest social problems of our time.

Last Friday a debate took place in this House in connection with the social problems which have arisen because the centres of our cities are jammed with vast numbers of automobiles. Eventually, of course, it may be necessary to prevent private cars entering downtown areas and mass transit systems will be provided along modern lines to move people rapidly, at the same time eliminating a major cause of air pollution. But it would be

wrong to blame auto manufacturers and governments alone. I certainly do not believe that the auto of today is safe, but according to the Canadian Safety Council, 90 per cent of all accidents result from human failure. Of the 8 per cent attributable to mechanical failure, a goodly proportion results from the lack of proper maintenance.

• (3:50 p.m.)

While the government has a great responsibility for highway safety research and education, a burden undoubtedly rests on the road user. The specifications for the national safety standards as set down in *Hansard* for January 29 include provisions for seat-belts. I agree wholeheartedly with putting teeth into the law as far as it concerns automobile manufacturers, importers and distributors. To sell a car without such equipment, or with inferior equipment, is criminal. If attempting to take one's life is still adjudged a criminal offence, I venture to suggest that to drive without a safety belt is an elaborate attempt at suicide and should also be viewed just as seriously. Indeed, I would go so far as to say that the non-use of seat-belts probably contributes as much to the death and injury of other persons as it does to the non-user. A seat-belt limits mobility, and limited mobility is one certain way of preventing motorists turning around to carry on a conversation with the back seat driver, or an irate parent turning to admonish the noisy children in the back seat.

The January, 1970, edition of *Safety Canada*, published by the Canadian Safety Council, reports:

> An extensive safety belt survey conducted by the Alberta Safety Council from Sept. 27 to Oct. 18, 1969, disclosed that only 18.4 per cent of 43,057 drivers and passengers interviewed were wearing the restraining devices.
>
> Volunteers interviewed drivers and passengers at service stations and car washes on four successive Saturdays in 29 towns and cities.
>
> The survey was accompanied by a major publicity campaign involving the press, radio, TV, distribution of restaurant place-mats and the handing out of pamphlets to motorists by volunteers.
>
> Of those interviewed, two-thirds had safety belts available, of whom 27 per cent of the drivers and 28 per cent of the passengers had them buckled up.
>
> On the highways, 42 per cent of drivers and passengers with safety belts available were wearing them. But this figure dropped to only 19 per cent in urban areas.
>
> The low urban use of safety belts flies in the face of facts showing that most traffic fatalities take place within a 25 mile radius of the victims' homes and at speeds of less than 40 mph.

We have talked in this debate and in the committee of introducing uniquely Canadian standards and that we should not ape the standards of the United States. I could not agree more. The Canadian market is of such a size in terms of cars sold and dollars transacted that provision should be made for Canadian standards which would meet the conditions of our roads and our weather and the acceptance of our people. After all, we have highway and weather conditions in Canada that are not found in too many other places in the world.

We discussed in committee the necessity for a regular monthly check of mufflers as a result of the salt and sand that is used on our highways to melt the snow. For a starter I would suggest that one safety requirement for Canadian automobiles be that it would be impossible to start a car without first securing the seat-belt. I believe there has been some practical research into this idea, and while we may not like the taste of it, this sort of medicine is good for us.

The minister stated on January 29:

> Here, if I may be permitted, I should like to pay tribute to the provincial ministers concerned who have shown at least as much interest in this matter as the federal government. They have also co-operated with us in every way—as the debate revealed and the subsequent questioning in committee—in order to ensure the maximum amount of co-operation between the two levels of government, because the federal effort alone would not be sufficient to make a significant improvement.
>
> The federal-provincial discussions to which I have referred led to my meeting with the provincial ministers on September 4, 1969, when it was agreed that the federal government should assume responsibility for the safety standards for new motor vehicles manufactured in Canada and for motor vehicles imported into Canada. At this time it was also agreed that the provinces, under existing legislation, would undertake to ensure the safety of vehicles in use as well as the safety of replacement and additional parts for motor vehicles.

There apparently was unanimous agreement that at the federal level we could make the biggest impact on the problem by dealing with the new car manufacturer to ensure that as cars leave the factory they are in top condition. It was also agreed that we would work closely with the provinces to ensure, wherever necessary, that they would introduce the kind of legislation which would put their needs on all fours with ours in terms of replacement parts. I do not think this is acceptable. The provinces do not have existing regulations to complement this act and I see here no guarantee that they will enact legislation to protect the innocent purchaser of a car bearing the national safety

mark but which has passed hands once or several times since earning this seal of approval.

It was said the other day during the debate—and I agree with it—that this act should be broadened to the extent that it would cover the resale of cars in our provinces. There is sufficient federal legislation covering the movement of fish, grain and meat, and it would be common sense to include the auto in like legislation. Fish, grain and meat are movable, as is the auto. The big difference seems to be that while the first three items are consumed, the last named consumes.

I think provinces have generally lagged behind in setting standards for performance achievement and the maintenance of cars on their roads. However, I do feel that our own province of Ontario has set some fairly high standards in respect of the resale of cars and safety checks on highways. It would appear that the city of Vancouver, and I believe the city of Victoria, have their own motor vehicle testing stations. These cities should be commended. Such stations should be located all over the country.

As outlined in this bill, there will be heavy penalties for misuse of the national safety mark on motor vehicles. There should be equally heavy penalties for misrepresentation of this safety mark by those dealers who will use it as a selling aid for cars that should long ago have been conveyed to the scrap yard. I hope the government will take steps in respect of an education and information program related to the use of the national safety mark and national safety standards. Perhaps this could be undertaken by a branch of Information Canada.

In this connection, in respect of the participation of provinces there was an article in the news the other day which indicated that our percentage of accidents per capita was higher than in a great many countries of the world, particularly the United States. The article went on to indicate that one of the reasons might be the tremendous educational program they have had in the United States to teach young people how to properly control the horses under the hood. I feel our provincial governments are taking this matter into consideration.

As I said in my opening remarks, the motor car and driving the motor car has become such an essential and important part of every person's life that it ranks with almost any phase of our educational program in high school, and it should be taught in high school. Proper driving methods and procedures should be taught along with academic subjects. In the city of Kitchener some years ago they adopted an extended program in their high schools. It is rather significant to note that a tremendous drop in car accidents in that community occurred as a result of this educational program.

The meaning of the national safety code should be spelled out very carefully to all road users. The limitations of the national standards should also be made very clear. At the same time, every effort must be made to intensify educational programs on proper road and automobile use. We must work to strengthen this bill by regular report on and examination of the regulations. One half of the individuals driving today have been or will be involved in injury-causing accidents this year in Canada, and we can expect some 5,000 deaths on our roads and nearly 200,000 injuries. These are the stakes. Let us hope that with the enactment of this legislation the stakes will favour the Canadian motorist.

• (4:00 p.m.)

Mr. Barry Mather (Surrey): Mr. Speaker, while I also do not wish to unduly delay the passage of this legislation, which in my view is very long overdue and really does not go far enough, I do wish to put something on the record in respect of the views of my party on this very important subject. There are some issues which cut across all party lines, and I think this is one.

Car safety and traffic safety in Canada involve the lives and well-being of all our people. It is surely a very important fact that for several years now 100 Canadians have been killed every seven days on our streets or highways as a result of traffic accidents. At the same time, some 3,000 others have been variously injured either in a minor fashion or so severely that many of them might as well have died. In addition to that, as a people we spend something in the order of $1 billion a year to protect ourselves from this traffic "unsafety" situation. This includes car insurance payments.

So far as the Canada motor vehicle safety standards bill goes, it at least is a start in the right direction. It's terms which will be incorporated through order in council, I believe, will follow exactly the provisions developed in the same area in the United States. These standards which we are taking from the United States were won over a period of

years from the heel-dragging motor vehicle industry in the United States. They are not altogether adequate for Canada. Indeed, they are not altogether adequate in the United States. They do not have within them, for example, provision for such Canadian requirements as what I would consider to be a Canadian rear-window defroster and a common bumper height standard. There are other areas such as tire safety. I do not think these things are properly spelled out in the United States legislation which we are now picking up. We also feel there is a lack of proper car safety standards in respect of exhaust pollution.

Before the transportation committee we proposed several amendments along the lines I have indicated which we felt were necessary. We were told, and I agree, that the legislation, particularly at the committee level, is largely a vehicle by which to incorporate the beginning of safety regulations. The regulations themselves will be fitted into the vehicle. We hope we will get more and more adequate regulations as time goes on. I must compliment the minister because he accepted in general terms one or two amendments put forward at the committee stage which I think are useful.

I should like to say just a word or two in order to underline one or two other aspects which in my opinion are related very closely to the motor vehicle traffic situation. One of these is car insurance. We feel that the Department of Consumer and Corporate Affairs should work more closely with the Department of Transport in reviewing the present car insurance situation in Canada. On every dollar Canadians spend on car insurance they recover from car insurance premiums only about 65 cents or 70 cents. As I said, I think this is a matter in which the Department of Consumer Affairs and the Department of Transport could interest themselves.

Although the campaign for safer cars in recent years in North America has resulted in some reform in respect of some very dangerous ingredients, the auto makers seem to have designed their vehicles with a view to making an additional profit from the collision of these vehicles. Perhaps the car manufacturers took a cynical attitude in respect of the car safety enthusiasts when the car safety enthusiasts suggested there was a need for collapsible front ends for the protection of the riders. They have built collapsible front ends and rear ends. They have done this with a vengeance. They have added a bit of engineering apparently to ensure that whatever the front end hits will also suffer the maximum possible damage. If another car happens to be hit, the repair bills from the collision will certainly spurt upward, as hon. members and many other citizens of the country can testify.

Bumpers which once performed a protective function for the vehicle are now eye-catching decorations with built-in lights, grilles, knobs, vertical and horizontal knives of assorted kinds and sizes, and sharp snouts, all guaranteed in the event of collision to do three things: first, send the car to the repair shop for expensive replacements; second, ensure that whatever is hit will be carved into appropriate designs thus forcing the owner to undertake costly repairs and, third, improve economics for the manufacturer of spare parts.

Testimony taken during the U.S. Senate subcommittee hearings on anti-trust and monopoly showed that from 1965 to mid-1969 new car prices for popular Ford and Chevrolet models rose by 10 per cent and for Plymouth models by 11 per cent. During the same period the price of replacement parts for Ford cars rose by 34.6 per cent, for Chevrolet cars by 19.9 per cent and for Plymouth cars by 22.5 per cent. Very briefly, this means that if a car which sells for $3,500 were rebuilt from spare parts, it would cost $15,000 for parts and labour.

Various tests have been conducted to illustrate the point I have been trying to make about the vulnerability of modern cars. This is not the time to go very deeply into this question. However, one test was made at five miles an hour, which is slower than the speed at which a Member of Parliament walks. The car was driven into a barrier. It resulted in damage in the amount of $200. The cars then backed into the same barrier at the same slow speed, and the damage averaged $214 in each case.

Mr. Speaker, I should like to conclude by urging the Minister of Transport (Mr. Jamieson) to follow the example of the Secretary of Transport in the United States in respect of sending out information. This U.S. minister is extremely active in this regard. I receive from his office no less than three separate releases each week dealing with what is being done by his department in matters which are important to life and death. I am not one to be easily enthused about things, but in my opinion the United States, finally, is really stepping up its safety program.

I have received releases from the United States department concerning such things as tire standards, recall of faulty tires, inflammable materials used in the interior of cars, air pollution from exhaust systems, brake testing and recalls. They are particularly concerned about compliance with the requirements of car safety legislation. Public meetings are held by the department of transport at which consumers, dealers and others are encouraged to state their views on any matter of car safety.

Finally, as I say, there are three things involved in traffic safety—the car, the car driver and the road. This measure deals specifically with the vehicle. To the extent that this bill is on the road, we want to be sure it will continue in the right direction in respect of ensuring maximum traffic safety.

• (4:10 p.m.)

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I did not intend to participate in this debate, but since we are on the final stages of passage of the bill I thought I would put a few remarks on the record. I listened with some degree of interest to the last speaker, and I suggest to him that an old, gas washing machine motor and a tub with wheels on it would probably give him the kind of vehicle for which he is asking.

First of all, when we are dealing with this matter we must try to determine what the legislation will do to take care of existing problems in transportation in so far as automobiles are concerned, and discuss at some length some of the real hazards in the industry. The main hazards in automobiles are, first of all, horsepower and, second, speed. It seems to be a trend of the automobile manufacturers to go for bigger, faster and more powerful automobiles.

I suggest it is not at all difficult today to build a motor with an engine, a transmission and a differential that will perform as efficiently as the engines in today's automobiles, which will produce all the horsepower required under any circumstances and yet be limited to the road speeds that are permitted in Canada and the United States. I see very little sense in selling a Dodge Dart that will do 120 miles an hour to a 19 year old boy who is somewhat impressed with the appearance of the automobile but is certainly more impressed with its horsepower and the speed he can get out of the car. I say there is an inconsistency in our laws if we mark our highways, as is the case in Ontario, indicating 60-mile speed limit and then produce cars the main selling feature of which is the horsepower they can produce, when the speed which they can attain on our highways is in fact illegal.

A number of factors must be recognized when you analyse the general construction of an automobile, what it is composed of and what it is intended to do. When we speak about hazards and look at statistics, we find that a large number of the accidents that happen on our highways almost daily are caused by the failure of the operator to obey laws and signals or to recognize road conditions. But in many cases the accident is due to the failure of a component of the automobile. I suggest that this bill should impose on the manufacturers conditions that must be adhered to before the automobile can be put on the market.

One of the essentials of any automobile is a dual braking system. The braking system of automobiles should be manufactured to extremely rigid standards to assure the purchaser that, first of all, it will give the maximum braking effect and, second, that any wheel will operate independently of the others. Again, the national safety mark or the label that will be put on an automobile is really meaningless unless quality control is a rigid aspect of company policy. I think no government agency can guarantee the competence of an automobile within minutes of its leaving the dealer's showroom; therefore, quality control is essential.

The second important consideration which should be given by the government to the problems that we have on our highways is that money be spent on compulsory driving schools for any driver who was involved in an accident of any seriousness at all. Attendance at these schools must be compulsory.

Automatic dimming devices should be compulsory in all vehicles. I do not think it would be too difficult for manufacturers to consider a form of warning signal in the event of the failure of any component that could impede the safe operation of the vehicle. We should consider regulating a safety level for standard equipment such as automobiles tires. Not too long ago two-ply tires were standard equipment. Today there is a change in some areas, but two-ply tires are still available on the market. The standard should be the highest available grade of tire on the market, and the use of such tires should be compulsory. There is today on the market a first grade, second grade and third grade tire, and in most chain

or department stores there are unbranded tires or what we refer to sometimes as factory rejects. These tires usually sell at less than one-third of the price of first grade tires. The use of such tires should be absolutely prohibited.

I have the privilege of coming from the city of Edmonton where in the last year compulsory car check legislation was brought in. Every automobile in the province of Alberta within certain areas had to be passed at a car check centre. First of all, tests were made on the surface of the automobile only. The finding of the tests was certainly not conclusive and could not prove whether or not the automobile was roadworthy. The argument that so many people used was that the job was not done by experts and therefore was not successful. I received a number of letters from people who complained bitterly because they had been requested on the first examination to make certain repairs to their automobiles. Indeed, my wife when she took her car in was requested to do repairs worth $65 to her car, but having done the repairs the car was not reinspected: she simply went back and told them the job had been done, following which they handed her a car test sticker for a $1 fee. This is why some of these programs fail. I commend the minister of transport in the province of Alberta for having had the foresight to discontinue this program.

Again I go back to the old argument that we must recognize the problem where it begins. It begins when the car leaves the factory. If the car has not gone through a rigid inspection procedure, if quality control has not been one of the conditions of the automobile company, there is no way in which we will get a truly safe automobile on the market.

Most American and Canadian cars are constructed to give the ultimate purchaser the maximum comfort, the maximum performance, the maximum eye appeal and, I hope, maximum protection against all the elements. I think the government would do well to provide, if necessary, assistance to manufacturers to further their studies into every aspect of motor vehicle safety and to enlarge their quality control departments.

• (4:20 p.m.)

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I am very pleased to see what is being done about auto safety through the provisions of this bill. I am sure it is long overdue and needs further additions. But I would like to remind the House of one fact, which is that no matter how careful you are, accidents will happen. Recently I had a problem driving a car with two master brake cylinders on it. One cylinder apparently was low in oil, and the seal on the other one was broken. One morning, backing out of the garage I went to put on the brakes and found I did not have any brakes. As a result, the car and I went into a snowbank and I had to get a wrecker to pull it out. If this had happened on the highway there could have been a disastrous accident. I do not know how such things can be avoided. It seems to me it may be necessary to have periodic check-ups for motor cars. But this car had gone 25,000 miles and had been serviced regularly. However, since the brakes appeared to be working, apparently they were not checked. This is something that happened to myself within the last two weeks.

Mr. Skoreyko: If the hon. member would permit me, Mr. Speaker, may I say such a problem could be corrected simply by having hydraulic and mechanical brakes on the vehicle. That is the simple solution so far as the manufacturers are concerned.

Mr. Rynard: Mr. Speaker, I wish to thank the hon. member for bringing up this point because I used to drive a Hudson, now gone from the field, and it had hydraulic and mechanical brakes. But because this other car had two master cylinders, apparently the manufacturers thought one set of brakes was sufficient.

I now wish to deal with the question of the massive air pollution in our cities and on our highways caused by the motor car. Those of us who have driven in a large city at rush hour, taking an hour or an hour and a half to get out of the city, have seen the carbon monoxide pouring out of the motor vehicles, rising up into the air and polluting the atmosphere of the city. Many people think we are moving too slowly to control air pollution. This is one of the criticisms that I hear frequently. We know that the motor car is one of the prime causes of air pollution, particularly in urban areas—an estimated 60 per cent. One university professor has gone so far as to say that governments are hiding pollution data describing the extent and the hazards of pollution. All of us who have been in places frequented by buses and motor cars realize the amount of poisonous gases that they give off.

Just a few days ago one well known Toronto medical man stated that 50 per cent of the diseases of mankind today can be traced directly or indirectly to air pollution. That is a frightening statement. And it must be considered in the context that fatal accidents, mainly automobile accidents—over 50,000 per year—are the greatest cause of death for those in the one year to 35 year age group. This shows that preventive medicine has pretty well halted the fatal effects of communicable diseases. Accidents have taken their place and, as I say, today they are the major cause of death for the one year to 35 year age group.

Hon. members are well aware of the number of motor car accidents which take place across Canada, over 150,000 per year. Today one bed out of every ten in our hospitals is taken up with an accident case, the majority of them being motor car accident cases. Leaving aside consideration of the suffering involved and the fatal tragedies that may occur, these accident cases are using up hospital beds that are sorely needed for medical and surgical cases. In addition there is the consideration that the federal and provincial governments are now paying for medicare. That means you and I. This is a pressing economic reason for doing something about the problem. That is not all, Mr. Speaker: I would remind you that many people who are involved in motor car accidents cannot return to work again—some are crippled for the rest of their lives; some are able to do only partial work. The economic loss is tremendous and far overshadows any cost of solving the problem.

Today I asked the Minister of Transport (Mr. Jamieson) a question about air pollution at Toronto International Airport, and I wish to thank him for the answer he gave. I was pleased to hear he is doing something about it and that within a few years jet planes will not be polluting the atmosphere. But I would point out to the minister that at Toronto International Airport, in my opinion you encounter far more pollution when you go downstairs to collect your baggage and move out on the ramp where the diesel buses and motor cars come to collect travellers. About two weeks ago I was out on that ramp. It was pretty bad that night because some charter planes had come in, apparently all nearly at the same time. There was such a crowd around that one could hardly move. Traffic was congested. One car had stopped completely and people were waiting for a wrecking truck to pull it away. You never saw such a jam in your life. People could hardly breathe standing on that semi closed-in ramp. The pollution caused there was far greater than that caused by the jet planes.

I could see people coughing and wiping their eyes. It reminded me of the occasion about ten years ago when I was in Los Angeles. One morning when I came out to go to the airport on my way home, my eyes started streaming. They were smarting and smarting. I wondered what was the cause. It was the air pollution: fog and mild rain held it at ground level.

This pollution problem must be tackled. Cardiovascular and respiratory diseases are the worst problems being faced by the medical profession today. They are presenting a real challenge to the medical profession. In many cases they are caused by air pollution, and the solution of this pollution must be tackled no matter what the cost. Too often we are prone to forget about the toll taken by car accidents when those accidents do not involve us personally. The cost of all this involves the pocketbook of everybody in Canada. We had better waken up and realize that the burden of looking after the consequences of air pollution and car accidents can become too great.

• (4:30 p.m.)

I expect the minister to look at the Toronto International Airport and others that present the same problems. I suggest to him that it should be possible to bring in some type of transportation other than diesel. Surely buses using diesel could easily be replaced, probably by buses which are battery-driven or use a low-pollution gasoline product.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to rise for a few moments to comment on the bill before us. The hon. member for Surrey (Mr. Mather) who has just participated in the debate, and the hon. member for Moose Jaw (Mr. Skoberg) who has been working in the committee, have already said many things about the bill. I think the bill is going in the right direction but, typical of many things we do in Parliament, it does not go far enough or quickly enough. Once again, we seem to be hesitating.

As one hon. member said, now that we have the car on the road we must get it out of trouble. We must look ahead at many of the problems that will face us in the whole

area of auto safety. The hon. member who spoke before me mentioned accidents and pollution. These matters must be of concern when discussing this bill. One thing I should like to impress upon the minister—and, hopefully, he will comment on it later—is that I think the Canadian government should make safety bumpers compulsory on all cars. I am told that Canadians spend $400 million or $500 million per year on so-called car cosmetics. Some of this is spent because cars do not have the proper bumpers.

A car moving at four or five miles an hour which becomes involved in a small collision may incur damages amounting to $400 or $500. About 70 per cent of accidents in Canada occur at speeds under 30 miles an hour. Safety bumpers would be of real value in saving money for the consumer and preventing injuries in many cases. Studies indicate that between one-half and three-quarters of the money now spent on repairing automobile cosmetic damages could be saved if cars had the proper type of bumper.

As an example of what I mean, in the United States last year tests were carried out on 1969 automobiles where cars were driven into direct barriers to see how much impact they could stand without sustaining damage. It was found that the average 1969 car could hit a direct barrier at only two miles an hour without damage. When this is compared with the old model A which had a capability of hitting a barrier at ten miles an hour before it was wrecked, it shows the value of having a bumper with strength in it.

The direct barrier tests revealed a number of shocking things that should concern us all. They showed that 1969 products such as those of General Motors or Ford, travelling at five miles an hour would sustain about $200 worth of damage when they hit a direct barrier. They also showed that cars travelling in reverse at the same speed sustained $215 in damages when they hit the barrier; at ten miles an hour the damage was about $600. This shows the severity of the problem, Mr. Speaker.

Questions may be asked about the feasibility of safety bumpers. I think that what I have said points out that they are desirable if only from the point of view of the money they would save. There have been many new developments, one of which is the water bumper which can stand an impact at ten miles an hour without the car sustaining any damage. This is a great improvement over our present bumper which would sustain about $600 damages in the same circumstances. The Manasco Company in the United States is experimenting with a silicone bumper of the same type that is used on the landing gear of airplanes, and apparently these have recently been used on railway cars as well. Tests show that these bumpers can hit a direct barrier at speeds up to 30 miles an hour without damage. These examples, Mr. Speaker, show that bumpers can be developed to protect automobiles, if we really want them. Cost is a factor which we should always look at and I am assured that a safety bumper can be installed on a car for $25, so this should be a compulsory feature of every automobile. The height of the bumper would have to be standardized so that they would meet in the event of a crash.

When we look at modern cars we see how much emphasis is put on design and physical beauty, if not even sex appeal. However, safety bumpers could be added without spoiling the design or beauty of the vehicle. I suspect that one of the reasons we do not have them is that auto manufacturers feel that if small accidents were eliminated, a source of revenue in repairs would be lost. It is economically feasible and technologically possible to design beautiful cars with safety features. I think a clause should be included in the bill to make it possible for all cars in Canada to have safety bumpers installed to give them greater protection in small accidents. We do not have to wait for the United States in this regard. I am sure Canada is still independent enough that we can do this without waiting for our American brothers across the 49th parallel.

• (4:40 p.m.)

Mr. Charles H. Thomas (Moncton): Mr. Speaker, my remarks on Bill C-137 will be very brief because the bill has already been discussed in committee for three or four days; in fact, it has been so thoroughly discussed that there are approximately 250 pages of evidence. Most of the points have been raised and have been answered by the minister and his officials. I think everyone agrees that the principle of the bill is good, that everything that can possibly be done to make a vehicle safer should be done. I appreciate the minister's desire to have the bill passed in time to have some of these provisions effective in the current year.

I do not want to delay passage of the bill. However, there are one or two questions I would like the minister to answer in his final

remarks. No bill is perfect in its draft stage. There were a couple of serious flaws in the bill as originally drafted. After spending two or three days studying the bill, I felt I was barking up the wrong tree and there was something wrong with me, but eventually the minister and his officials recognized and corrected these defects. I am happy about this because there were serious flaws in the original draft of the bill.

The bill deals primarily with the importation of vehicles from the United States. The main criticism that we in the opposition had to the bill was that the penalties provided were not stiff enough. We discussed at length the fact that the standards were not laid down or specified in the bill. I can appreciate the reason for that. It might be better to pass the legislation first, then let the minister promulgate the safety standards. He supplied us with a list of 29 basic regulations.

I remind the minister of the commitment he made in committee. I asked him if, after the bill was passed, he would entertain representations from the committee or individual Members of Parliament as to new regulations that should be promulgated. The minister assured us that he would be very happy to listen to representations. He indicated that if he thought they were serious and worth while, he would implement them. I remind the minister of this commitment. I hope he will keep the commitment in mind when the time comes to redraft the bill and to make changes.

Some of the standards which we felt were not rigid enough have already been mentioned. One such standard concerns bumpers. Most people will agree the bumper on the present-day car is nothing but an ornament. It is a piece of chrome put on the car for appearance. It has no function with regard to safety. It is a piece of ornamentation. As the previous speaker mentioned, new types of bumper are being developed. I hope the minister and his department will consider the feasibility of these new types of bumper becoming standard equipment. There is also the matter of exhaust emission and pollution control. The minister indicated these would be taken into consideration.

I also suggest that the braking standards are not rigid enough. I was surprised to find that some of the higher powered cars, those with the most horsepower, have the lowest ratio of horsepower to braking area. This is ridiculous and should be checked into with the manufacturers. Cars are being manufactured with higher horsepower, yet they are still using the conventional old-style brakes. This area should be studied very thoroughly by the department when the regulations are being promulgated.

I wish to make one more suggestion. I am still not happy about the provisions of compensation for seized vehicles. One of the things that bothered us in committee was that the original bill could conceivably give inspectors the power to seize a private vehicle. This was corrected when the amendment was made to clause 13. As the bill now stands, vehicles can be seized from the premises of a dealer. The only compensation the dealer can receive is under clause 14 (2), which states that the provisions of section 64 (a) of the Fisheries Act will apply to the new act. It seems there could be quite a lapse of time here. If vehicles are seized from a dealer under the provisions of the Fisheries Act, I understand there could be a lapse of up to 90 days. A vehicle could be held that long. The vehicle could then be seized, and the only provision under section 64 (a) of the Fisheries Act is that the owner is entitled to his equity in that vehicle. However, if the vehicle is sold by public sale and only realizes half its value, as I understand the act the owner would be entitled to only the proceeds of the sale. Possibly the minister could explain that later.

It can be said that this is a matter between the manufacturer and the dealer, that if the manufacturer values the dealer's franchise he will compensate the dealer for the loss of those vehicles. I feel there should be something in the bill to make the sanctions a little stronger against the manufacturer. If a dealer has in his showroom 12 vehicles that are seized and tied up for a period of 60 to 90 days, vehicles which have probably been financed under wholesale replacement, what does the dealer do for replacements in order to stay in business?

I hope the minister will answer these questions when he closes the debate. I support the early passage of the bill, although I still maintain it does not go far enough. I think it will give the minister a vehicle to bring into force effective regulations for vehicle safety.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I would like to briefly repeat some of the proposals which were brought forward in committee. I appreciate that this debate may be a vehicle to bring to the attention of the public automobile safety standards. At the

same time, I emphasize to the minister the urgency of spending money on research and development in this field. In my opinion too little is being done in Canada in the way of research and development in the field of pollution. We talk a good fight, but when it comes to doing the research that is meaningful, we fall by the wayside and have to depend on what has been done in other countries.

We had quite a discussion in committee on the warranties of automobiles being manufactured at the present time. It was suggested that the warranty should be included in a safety bill such as is now before us. It was suggested by the minister that warranties come within the jurisdiction of the individual manufacturer, and probably the legal institutions if the warranty is not honoured.

Each new car has an average of 25 to 40 defects which may or may not be covered by warranty. If it is necessary to hire a lawyer to bring about a correction of these defects, this is an added cost to the purchaser and is reflected directly in so far as consumer costs are concerned. I am sure the minister will study some of the matters which were studied by the committee. If he looks at the Minutes of Proceedings of our hearings he will appreciate that the warranty situation cannot be left to the whim of the manufacturer and the courts of this land.

There is another point which I feel needs clarification. I refer to page 1133 of the committee proceedings. I understand the minister has a thirtieth proposal in so far as the list of motor vehicle safety standards is concerned. It is with regard to the impairment of health to the individual. If the transcript is read, it will be seen that what is really involved is the impairment of health. When we read the transcript, we see just what the committee had in mind. I wonder whether this bill goes far enough, or as far as the committee thought it would go, in the direction of pollution control. On page 33 of the eleventh report of the committee we see a reply given to a question by a member. Protection against impairment of health was afforded, according to the witness, by providing for the control of motor vehicle exhausts. The witness said the definition of safety standards would also permit regulations to be made limiting noise emission from new motor vehicles with a view to protecting persons against impairment of health.

• (4:50 p.m.)

I hope the minister is not simply talking about the elimination or reduction of noise when he refers to pollution in this field. I am sure all of us were thinking of pollution in a much wider sense. When I look at the standards set in the Guide to Traffic Safety, I find they deal with pollution generally. I quote:

> With an ever-increasing vehicle population and resultant traffic density, the toxic gases emitted from engines assume more importance. Under certain circumstances some constituents of vehicle exhaust may react to form irritating smogs. Also, individual pollutants such as carbon monoxide may be of concern to drivers in dense traffic—

I emphasize, once again, that what concerns us is pollution—pollution of the kind with which everyone in the country from coast to coast is concerned at the present time. As we look further into the question of pollution by motor vehicles, we find it has reached a point which has made it necessary for a number of countries to lay down increasingly stringent legislation designed to reduce it or eliminate it altogether. In terms of the bill we are now considering, I suggest Canada has fallen behind by failing to provide sufficiently stringent regulations so far as pollution is concerned, and this at a time when all the developed countries, by and large, are introducing increasingly stringent measures to deal with it. In my opinion, the provisions contained in this measure as they affect restrictions which will exist in the future, are not sufficient.

An article from the Petroleum Press Service states that the main pollutants associated with gasoline engines are carbon monoxide, unburned hydrocarbons and nitrogen oxides. According to the writer, it is estimated that motor vehicles account for at least 60 per cent of the air pollution in the United States and as much as 85 per cent in some urban areas. The time has long passed when we could concern ourselves mainly with the pollution of our water resources and not be equally concerned about the pollution of land, air and sea as an entirety. It is high time Canada put stringent controls into effect which would oblige all manufacturers of gasoline engines to meet certain anti-pollution standards. This could be done in Canada; it is already being done in California.

The minister suggested to us that many of the ideas put forward in this area are difficult for the federal government to handle because of the jurisdictional problem as between the federal government and the provinces. I will refer directly to one such situation. The

proposal was made that in the event of defects, having regard to the motor vehicle safety standards, there should be liability for payment of the costs of labour and parts necessary to correct such defects. The minister thought this was too broad an undertaking and that the federal responsibility did not go far enough to enable its adoption. I appreciate his reason for concern, but I hope he will look into this matter again, and tell us why the cost of labour and parts cannot be included when it becomes a matter of correcting defects in construction or design of a motor vehicle. It is not enough for anyone to say these costs are not involved in the application of motor vehicle safety standards. Defects which are apparent in a new vehicle certainly come within the scope of the proposals in this bill. I believe this provision could have been added, thus protecting the public to a considerable extent.

Other aspects of this bill have been well covered in previous speeches. Let me say a word about one important consideration which we feel should be dealt with in the bill. I refer to the standardization of bumpers. I hope the officials who will be drawing up the regulations will make a really determined attempt to get bumpers standardized as to height. It is no use waiting for another country to do this first and then expect Canadians to be proud of the work of their own government. I am sure that if we provide for the standardization of bumpers, pollution control and the use of window defoggers, the Canadian people will be appreciative of our efforts.

It is of great importance, in my opinion, that committees dealing with bills such as Bill C-137 should at least have every opportunity to ensure they are paying attention to matters with which their constitutions are really concerned. The only way in which committees can do this is to hear evidence from witnesses who are directly involved. With this consideration in mind, a motion was introduced in the committee asking that representatives of the Big Four auto manufacturers be invited to appear and explain what they had done with regard to the 29 auto safety features which Canada had imported from the United States, and what they planned to do about them in Canada. Unfortunately, a solid vote by government members on the committee resulted in the motion being turned down. I am greatly ashamed that our committee, though in session at the time, did not call for evidence from the auto manufacturers, the people directly concerned in this field.

[Mr. Skoberg.]

We are quite prepared, of course, to hear witnesses give evidence about safety devices which they themselves have developed, but I deplore the fact that the most important segment of the industry, those who will be called upon to put these regulations into effect, were not called before us. We know that representatives of the auto industry appeared before the United States Senate. We recognize that the 29 standards were, in fact, imported from the United States—and understandably so; I shall not argue that point at the moment. But in my opinion this committee of the Canadian Parliament failed drastically when it declined to summon representatives of the auto industry before it to explain what they had done in the field of research and development as far as the regulations likely to be made under the terms of this bill are concerned. I realize, of course, that the regulations are to be made by Order in Council and that they will not form part of the bill itself. I also realize that we as a committee wanted the advantage of having these people appear before us, not just the people from the minister's department who drafted these regulations and who wanted to appear for their own purposes.

● (5:00 p.m.)

I wish the bill well and I am sure the people of Canada feel it is a step in the right direction. The people of Canada are entitled to more than this. I hope that after research by our own people we will come up with something that will make Canadians proud that we have passed in this House legislation which means more to them than a piece of legislation which we might have imported some time ago. Surely, we are not still a developing nation. Surely, we can come up with some research and development in order to encompass automobile safety standards of the kind we all have in mind and which are not included in this bill. I believe they should have been included at the start. There are many other things that might be included in the bill and, hopefully, the minister will take this debate to heart and bring in regulations that will really and truly meet the needs of the Canadian people.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it is not my intention to take up a great deal of the time of the House to recapitulate, as it were, many of the things I said in connection with this legislation both on second reading and in the committee. I think, however, it is fitting that I express my thanks to members of the House,

and most particularly to members of the Transport and Communications Committee, for their co-operation and for the thorough way in which they dealt with this bill. As was pointed out this afternoon by the hon. member for Moncton (Mr. Thomas) and the hon. member for Moose Jaw (Mr. Skoberg)—or is it Moose Jaw-Skoberg?—we achieved in the committee advantages and benefits through the amendments I was very happy to accept. I think this was a good demonstration of how the committees system can work. I do not propose to go over all the points that have been raised this afternoon because, as I have said, it would take a great deal of time. I believe that the hon. members concerned have most of the answers, at least to the extent that I am able to give them.

With regard to the question of seizure raised by the hon. member for Moncton, he does know of the problems of limitation in that regard. Perhaps he might be satisfied if I indicated to him that I do recognize, as I do in respect of some of the other points he raised in the committee, that there is validity in what he said. This involves a matter, again, of the extent of our authority and competence. If experience shows we can do something to improve the situation, then we certainly will do so. I might say, too, that I think it is our intention to avoid to the maximum extent possible the likely seizure in the manner which he outlined and which would cause this problem.

In other words this act, when it becomes law, will be most effective if indeed we prevent cars which have discrepancies of one kind or another from reaching the point where they are in the hands of purchasers. It will only be in terms of a latent fault that this would result. I think we will be performing best if indeed the problem that the hon. member for Moncton outlined does not occur, because this will indicate that we have caught the deficiencies before they have reached that point.

Throughout this debate I think there have been one or two what I might describe as general inconsistencies. I do not say that in any critical sense. I think I ought to point this out for the record. One has to do with some of the matters raised by the hon. member for Moose Jaw about warranties and the obligation on the part of manufacturers to pay for such repairs or replacements as may be necessary. I do not believe it can be argued that these are matters falling within the ambit of this bill which is related to auto safety. As I explained in committee, while I agree wholeheartedly that the user or purchaser of an automobile should not be penalized for something over which he has no control, I suggest to the hon. member and to the House that in fact this is a contractual relationship between the purchaser and the supplier which is only indirectly related to safety, and that therefore it does indeed come under provincial jurisdiction.

At least, this is the best advice we have been able to obtain, and it has been confirmed in a number of quarters. I mentioned that matter in particular because it leads me to the second point on which there has been major inconsistency in this debate. It has to do with those matters which are of federal jurisdiction entirely and those which fall within the responsibility of the provinces.

This legislation will not be as effective as I and all hon. members would want it to be unless we have the full co-operation of the provinces. I emphasize again that our jurisdiction and our authority extends only to new vehicles, only to the manufactured item as it comes from the plant. The instant it is sold, it becomes an object which for all practical purposes is under provincial jurisdiction.

Quite a few members, while pointing out very valid problems in terms of auto safety, I think failed to make a distinction and failed to recognize, to the extent that is necessary, the limitations upon federal power. Above all, the necessity for co-operation with the provinces is a recognition of this from the outset. This bill, when it becomes law, will not really do its job unless there is companion legislation in the provinces which is on all fours with the federal legislation. So there have been to date two separate federal-provincial conferences involving the ministers responsible in each of the ten provinces and myself. This has been an excellent example of federal-provincial co-operation.

There has been widespread agreement and recognition of the need for supplemental legislation by the provinces for such a thing, for example, as was touched on this afternoon—that is, tire safety and tire standards. It will not do very much good if the federal government says that tires on brand new vehicles have to be of such-and-such a standard, and the replacement tires purchased in provinces are not of the same standard. In this case the provinces will, I am sure, apply the same standards on replacement tires as we set up for new tires. I hope we can extend that principle to a wide range of replacement

parts so the provinces will be able to help us, and we them, in what is after all a common problem to all of us.

There has been some mention today of pollution. The hon. member for Simcoe North (Mr. Rynard), who I know has a particular interest in the matter, was the primary person to mention it. When this bill was originally drafted, it was strictly an auto safety bill in the sense of protecting life and limb. We made a more exhaustive study of our regulatory powers and came to the conclusion that we could, in fact, regulate and define auto safety as having to do also with the preservation of health. It was for this reason I expanded the bill to include exhaust systems. As the House will know, I have indicated on earlier occasions that we propose to be as stringent as we possibly can in this regard. There is a good deal that can be done now, even, in terms of the devices that are to be employed.

As the House will know, in some states of the United States, and in fact in some provinces in Canada, regulations are either now in place or are proposed which will enhance greatly improved exhaust systems. This, I may say, is only a partial answer because some of the devices, while removing some of the noxious substances, actually create others which are at least as harmful and perhaps even more so because they are both invisible to and undetectable by the average person.

In our research and development section we must attempt, to the maximum extent that we can, to devise new forms of combustion fuels and, perhaps, better combustion engines. I have had considerable discussion wih my counterparts in the United States on this question, and I am pleased to say that our level of co-operation is very high. As the hon. member for Surrey (Mr. Mather) mentioned earlier, the United States government and the United States people are very much seized of this and they are moving ahead certainly as fast as we are, if not faster.

So we have at the moment what amounts to a tacit understanding, which I hope will eventually evolve into a formal agreement, that we will exchange information and work together, because whatever the merits may be of continentalism in other respects having to do with energy policies and the like, there is no question that the Canadian interest is obviously served best by continentalism in terms of auto and highway safety and related matters.

[Mr. Jamieson.]

• (5:10 p.m.)

It might be interesting to this House if I were to say on a remotely related subject —that of air pollution from aircraft, to which the hon. member for Simcoe North referred today—that of course it is rather pointless for the Canadian government to move in this field unless there is companion action in the United States, because aircraft move back and forth across the border constantly. It is my considered view that in so far as the continent is concerned, we will make very significant improvements in this field in a relatively short time.

What will prove to be more difficult—and I am already attempting to do something in this area—will be to arrive at agreement internationally in respect of flights coming in from overseas across the Atlantic and the Pacific where there is not the same rapport, closeness or liaison as there is with the United States. Happily, it would seem that there is now this new awareness of the real danger of pollution. I hope we can extend this liaison to the international community as well.

These are just some of the matters which have been raised. I would differentiate between the problems in respect of automobiles which are wholly related to safety and those which are only indirectly related or not related to it at all. I do not say this in any critical sense, but I might point out that there was some at least superficial difference of opinion between the hon. member for Surrey and the hon. member for Moose Jaw.

The hon. member for Moose Jaw in effect said, "Let us go out on our own and create an all-Canadian car." I do not wish to overstate the case but I believe he was suggesting that we do the thing on our own. The implication is that in some way or another the great majority of United States cars are inferior. On the other hand, the hon. member for Surrey has been castigating us in his mild fashion for not going ahead as fast as the Americans. I suggest there is some inconsistency here; there are two points of view. However, I know that both gentlemen are on all fours in respect of their desire to get the best bill possible.

The question of bumpers is of continual annoyance, I expect, to all hon. members who think it is not they but rather their wives who become involved in small scrapes.

An hon. Member: You will receive a lot of letters on that.

Mr. Jamieson: Yes. The fact of the matter is—

Mr. Knowles (Winnipeg North Centre): You will need a new set of bumpers yourself, now.

Mr. Jamieson: I don't need them. In any event, this is a matter which is not only a question of safety. There is also a cosmetic question involved. It seems that most of the low-damage items to which the hon. member referred are not those which cause bodily harm. They are usually more of a cosmetic nature. In that field the Department of Transport has a difficult time seeking to determine whether or not the emphasis should be on the safety features. The safety of life and limb concept might come under that department, while perhaps some of these other matters might more directly come under the Department of Consumer and Corporate Affairs, or perhaps the two departments could co-operate on them. I have no problem in agreeing with the hon. member that something should be done about this problem.

From a research point of view we are learning about everything done by United States agencies. In fact, we are undertaking some studies on this ourselves. One can find many different types of argument on this question, even including the one which has a measure of validity—that in fact the collapsible or give-away bumper is an assist in highway safety. The fact that there is a breaking away means that the car is not so rigid that the parties inside will be hurt. This is only one of a score of new concepts. There are such things as the water bumper or the air bag for the interior of cars, which is designed to inflate inside upon impact so that the parties in a sense are surrounded by a cushion of air.

The hon. member who spoke at the beginning of the debate today referred to seat-belts and various harness arrangements. There is some disagreement on the efficacy of these in their present form. I do not think anyone would argue that they are not good when properly placed and when they are of the proper strength. Here again, our standards will enable us to test them constantly and to also ensure that as new developments come along in this field they can be implemented quickly.

I have one final comment. This is something I have tried to emphasize throughout. It is one which, perhaps a little ironically in my judgment, throughout the debate and in the committee has not really obtained the amount of consideration it deserves. I refer to the fact that an accident happens only because something goes wrong. In the opinion of all the authorities on the subject, including those within my highway safety branch, the No. 1 task is not to ensure that we have the safest of all vehicles, because no matter whether the driver has happened to have a drink or something, when an automobile accident occurs the No. 1 challenge in respect of highway safety today is to find out the cause of the accident, what causes it to happen.

This is where the real research is required. It is not simply a matter of the drunk or inebriated driver. There is the fact that 70 per cent of the accidents occur when a vehicle is travelling at a speed under 30 miles an hour, and the fact of the number of accidents which occur on straight pieces of highway at mid-day when there is only one person in the car. One must also consider the frame of mind of the driver who goes off the road under such circumstances.

While auto safety is unquestionably of enormous importance, the fact is that no matter how safe the car, we will continue to have a good deal of carnage on our highways unless we find an answer to the problem of the driver and the causes of accidents. Perhaps it is necessary to consider both the driver and the nature of our highways and ask ourselves whether the highways are being properly constructed. As the hon. member for Simcoe North mentioned, we have some of the finest highways in the world. Everybody says now we are out of the woods because, we have incredibly good roads, but this fact simply seems to amplify the number of accidents which occur. So the question is whether our highways are faultily designed in some way or another. These are some of the interesting challenges which we face.

Again I want to thank members for understanding the need for relative haste in getting the measure through the House. I hope it will start having its effect very soon. I hope we will hear from the automobile companies. I agree with the hon. member for Moose Jaw that their co-operation in this task is vital and that they have a responsibility to make known to the Canadian public what they are doing and what their intentions are with regard to compliance.

I do feel, however, that the appropriate time to ask the question is when the regulations are promulgated. Then I am sure they will not only be anxious but will be compelled to appear to indicate exactly what they

feel about these regulations. Again may I extend my thanks to the House for what would appear to be its approval of what in many respects is a most historic piece of legislation.

Mr. Nystrom: Mr. Speaker, would the minister answer a question? He commented about safety bumpers and said that research is presently going on in a government department. Could the minister inform us whether we can expect regulations soon in respect of safety bumpers? Is he planning to bring in new regulation in this field?

Mr. Jamieson: Mr. Speaker, I should like to be specific, but I cannot answer by saying just how far this concept has advanced. I can simply say that if we come up with something we think is worth while, we will not be hesitant in bringing it forward at the earliest possible time.

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

Motion agreed to and bill read the third time and passed.

CAPE BRETON DEVELOPMENT CORPORATION ACT

GUARANTEE OF REPAYMENT OF MONEYS BORROWED BY COMPANIES AND PERSONS

The House proceeded to the consideration of Bill C-138, to amend the Cape Breton Development Corporation Act, as reported (without amendment) from the Standing Committee on Regional Development.

Hon. G. J. McIlraith (for the Minister of Regional Economic Expansion) moved that Bill C-138, to amend the Cape Breton Development Corporation Act, as reported (without amendment) from the Standing Committee on Regional Development, be concurred in.

Motion agreed to.

• (5:20 p.m.)

Mr. McIlraith (for the Minister of Regional Economic Expansion) moved that the bill be read the third time and do pass.

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

Mr. MacInnis: I have no intention of holding up the passage of this bill, Mr. Speaker, but we were hopeful we would have a statement from the minister at this stage.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, in the absence of the minister I would be very pleased to inform the House again of the purpose of this amendment to the Cape Breton Development Corporation Act. I would like to begin by thanking the Standing Committee on Regional Development for the great dispatch with which it processed this bill through the committee and accepted it with some degree of unanimity and then reported it back to the House.

This bill is rather limited in its scope, although it is important. It does not change the structure of Devco, nor does it change its basic functions or basic purpose. It is intended to add to the financial powers of that corporation and to put it on a footing equivalent to that of the Department of Regional Economic Expansion with regard to special areas.

One financial capability was lacking in Devco's battery of financial tools. This was Devco's lack of power to guarantee loans which an industry might seek from the private sector in order to establish itself in Cape Breton Island where Devco operates. The corporation had already been granted the power to make loans, to give incentive grants and to take equity positions in industrial concerns which seek to locate in Cape Breton Island, in order to stimulate industrial development there and to diversify the economy of the island. But it did not have the power to guarantee loans which any corporation might secure from the private sector. That is an important financial instrument. Some industries are quite capable of making their own way without obtaining significant loans, grants or equity positions, but access to private capital markets would be facilitated for them if they had a guarantee of the repayment of the principal and interest from such a Crown corporation.

So the sole purpose of the bill is to give that power to the corporation, to give guarantees on the loans advanced by others to industries which wish to settle on the island. There is a limit to the guarantee that Devco might give. That limit is $100 million which covers both principal and interest. As I think hon. members know, Devco is authorized to make loans and grants and take equity positions up to the limit of $20 million. That $20

million ceiling is not affected by the proposed amendment. What this proposed legislation adds is a guarantee capability of $100 million. As I said, this puts Devco in the same position to exercise financial powers as the department itself in special areas, but it is the view of the department that it would be better if that power resided with Devco rather than be spread between Devco and the department. This would put the island in exactly the same position as other special areas so far as financial powers are concerned.

This is a straightforward amendment and an important one. It is designed to enhance the opportunities for the industrialization of Cape Breton Island. I will close my remarks by again thanking the committee for the expeditious way in which it brought this legislation back to the House.

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

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, in line with the remarks of my colleague, the hon. member for Cape Breton-East Richmond (Mr. MacInnis), I have no intention of holding up the passage of this bill. We feel that it may have some very beneficial effects on the economic future of Cape Breton Island. As the Parliamentary Secretary stated, the committee exercised great dispatch in reporting back to the House, I believe to the surprise of some members of the committee as well as the minister.

I say in conclusion that perhaps in the future the Parliamentary Secretary will introduce legislation of this type, in which case it will pass through the House much more quickly because of his capable manner and Irish eloquence, which puts him in a much better position than the minister.

Mr. Knowles (Winnipeg North Centre): Watch out.

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

Motion agreed to and bill read the third time and passed.

HOUSE OF COMMONS

BROADCASTING OF DEBATES BY RADIO AND TELEVISION

The House resumed from Monday, February 23, consideration of the motion of Mr. Macdonald (Rosedale):

That the Standing Committee on Procedure and Organization, in consultation with Mr. Speaker, be directed to study the question of radio and television broadcasting of the proceedings of the House and its Committees, including the legal, procedural and technical aspects thereof, and the question of arrangements made for reporters for the electronic media in the Parliament buildings.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising once again to conclude my speech in this debate I shall be as brief as possible in enunciating a number of reasons for my opposition to the introduction of television into the House of Commons. First of all, it has been said on more than one occasion that the same argument was advanced when *Hansard* was first proposed for a daily, written record of the debates in the House. It is now being said that the same arguments advanced against *Hansard* are now being advanced against the introduction of television into the House.

It seems to me that the two cases are not alike. Much goes on in the House that is not recorded in *Hansard*. Many conversations are carried on and a great deal of highly skilled lobbying goes on that is not recorded in *Hansard*. Many jokes and jests uttered in the House are not recorded in *Hansard*. Sometimes it must be difficult for the interpreters and the *Hansard* reporters, but it is a known fact that much goes on in the House that is not printed in *Hansard*.

If the proceedings in this House were televised, all this would be heard. A member rising to speak would either be speaking to an attentive audience or he would be speaking to empty chairs. This would not give a good impression to his constituents who might not know that the absent members—many of whom are to your right, Mr. Speaker—were at committee meetings or in a minister's office attempting to ferret out the reason for government interference in their constituencies.

Another reason against the introduction of television is that a member who may be making a good and logical speech might not know how to put it across. His delivery might be poor and he might be reading every word of his speech. This would appear on television, but it does not appear in *Hansard*.

• (5:30 p.m.)

Years and years ago the rules of this House laid down that a member should not read his speech. That rule is still in effect. Why was it incorporated in our Standing Orders? It is because a Member of Parliament is sent here to represent the true feelings of his constitu-

ents. He is supposed to know their thoughts, to be concerned with their problems. He is supposed to be able to speak from memory about these things and to tell how the application of a certain piece of legislation will affect his constituents, whether beneficially or otherwise.

A Member of Parliament is not supposed to pick up a speech written by somebody else, or even by himself, and read it. If television is introduced, each member will prepare his speech in advance. He will even have a tendency to act out the words of his speech. As I said previously when I had an opportunity to speak on this subject, a member will even pronounce words in a certain way to express the feeling that may exist in his riding about a piece of legislation, not because he feels that way about it but because he thinks his constituents believe he should feel that way.

If there is one thing I detest today, it is the widespread feeling about the phonyness of politicians. Too many people across Canada say, "He is just a politician. Does he really mean what he says, or is he acting out a part"? I know some hon. members could not be actors even if they tried, but others would sure love to try—and television in the House would encourage them. It would be detrimental to the logic of the arguments they present in this House on behalf of their constituents. For that reason alone, *Hansard* and television are two different things.

I have mentioned that television would show the number of empty seats in the chamber. If this afternoon's proceedings were televised, showing all the empty seats to your right, Mr. Speaker, people in western Canada would naturally assume that since there is no western minister in the House the government is not concerned with their problems. They would make a snap decision on the basis of television. I should also point out that once introduced in this chamber, the televising of our proceedings would likely continue forever. In my opinion, Members of Parliament should make their arguments coolly, logically, and in a rational manner, in accordance with their beliefs in the kind of Canada that they want.

Some mention has been made that television could be extended to the proceedings of our committees. Although it may surprise some hon. members who have listened to me on this subject, I believe that would make more sense. If I have time this afternoon, I may deal with the question of television in our committees.

What would television in the House of Commons really mean?

It would mean televising its proceedings in their entirety from two o'clock in the afternoon until ten o'clock in the evening, and this would require practically a whole new network across Canada. What about the enormous cost of that? Has anybody thought about that? I know the Minister of Transport (Mr. Jamieson) has had a great deal of experience in the television field. Can you envisage the enormous cost of establishing a whole new network to hear politicians expound on the glories of their constituencies and on how they think legislation will affect their constituencies?

At the close of the last session of Parliament, last July, the Prime Minister (Mr. Trudeau) said, "We have to get these bums out of here. They are using the House of Commons as a soap-box to spread their ideas all across Canada." Mr. Speaker, if we had television in the House of Commons the bums might want to hang around a lot longer, at least some of those who profess to be good actors on television, and the Prime Minister would have much more difficulty getting legislation passed.

But let us examine the matter a little further. Who is going to watch the televised proceedings? Who has time? In my opinion, only those who have retired, who are over 65 years of age, and instead of watching a movie on a particular they may want to watch the House of Commons for an hour or two. But anybody engaged in earning a living does not have time to sit down and watch the House of Commons on television. On occasion someone who is ill at home, or a man who is babysitting while his wife is at the dentist, may turn on the television set for a half hour or so. Such casual viewers do not understand the working of Parliament. They do not know why those seats opposite are empty, why somebody down in the corner is talking to a friend instead of listening to me, and why somebody else is walking out of the House. As a result, they will make incorrect interpretations of the situation.

The cost of a completely new television network would be practically prohibitive for any sane government. There is some question of whether the present government is sane or not, but let us give its members the benefit of the doubt.

Mr. Jamieson: Thank you very much!

Mr. Horner: Let us say they are sane. If so, they will see the prohibitive cost involved. But there are those who advance, as an alternative, the televising of our proceedings for a two-hour period, covering motions, orders of the day and part or all of the question period. What would happen in the case of motions, Mr. Speaker? In recent years we have had five political parties represented in this House. Now there are four. On motions a minister gets up and makes a statement. I am one who has complained that ministers do not make enough statements on motions, that they make too many outside the House on television. But if television is introduced here, will that prompt them to make more statements on motions? For example, let us say a minister has a statement to make on the reorganization of his department and he makes it in the House of Commons. He will take up a certain amount of time. We had that experience today with a statement by the Minister of Regional Economic Expansion (Mr. Marchand). His statement was commented upon by one member from each of the other parties.

As I say, we have only four parties now. In years to come we may have five again, or even six, as somebody suggests. In that case five statements, all in critical vein, will be made in reply to a minister's statement. In these circumstances a minister would be reluctant to make a statement on motions in the House, whether on the reorganization of his department or the establishment of departmental offices across Canada, as was the case today. Because he would have to face five critics he would be tempted to go down the hall to the television room and have his statement telecast from there, where there is no one to criticize him unless the television interviewer wishes to call in one or two critics.

Let us not be fooled by the argument that a televised two-hour period would enhance this House. Let us project this thing a little further. Let us suppose we have disposed of motions and have moved into the question period. Normally the question period is 40 minutes. Today it was mainly taken up with questions posed by members of the opposition, but from my study of the rules I do not see that the question period is reserved exclusively for opposition members. From time to time government backbenchers have expressed dissatisfaction at the decisions made by the government and have sought a more active role as Members of Parliament. What is to stop them demanding of the Chair equal time in the 40-minute question period?

• (5:40 p.m.)

It is a simple case of arithmetic. There are 264 members in the House excluding the Speaker and the Deputy Speaker. The government is in power, so it will more than likely have the majority of seats or it would not be in power. Even taking out the cabinet ministers, they will more than likely still have just as many members in their backbenches; and if you include the Parliamentary Secretaries you will probably have more than the whole combined opposition.

It is logical to assume that in a close and hard debate over the question of the allotment of the 40 minutes televising of the question period, government backbenchers would demand 20 of the 40 minutes, which would leave the official opposition with 20 minutes. The parties to my left would not be particularly happy with that. They are noted for being quiet, but from time to time they may want to raise a few questions. They could argue that their party should be allowed five minutes. So lest we think the question period would be enhanced, the official opposition would be allotted ten minutes, the NDP would be allotted five, the Ralliement Créditiste would be allotted five and the backbenchers of the government would be allotted 20.

Mr. Côté (Longueuil): How about the answers?

Mr. Horner: The Minister of National Revenue (Mr. Côté) asks, "How about the answers?" That is what I was coming to. Let us suppose the Leader of the Opposition (Mr. Stanfield) asked a particularly embarrassing question of a particularly capable or verbose minister such as the Minister of Transport. He is very capable with words, but how capable with action we have yet to judge. But suppose he was asked the question—does anybody in this House think he could not talk for ten minutes? We would be surprised if he could not, because we know he is great with words and that there are a number of cabinet ministers who are perhaps just as good. We would have lost the ten minutes allotted to the official opposition for that day. From time to time we have heard backbenchers complain that the Speaker does not recognize

them as often as he does the front row. They can rest assured that if television comes in during the question period, they will not even be bobbing up for a question. The same principle applies to the two parties to my left.

Let us look at the 20 minutes that will be absorbed by the backbenchers of the government. Say, for example, the hon. member for Assiniboia (Mr. Douglas) wants to ask a question of the Minister of Agriculture (Mr. Olson) which concerns his riding. He does not want to fall out with the minister because he may want to ask a petty favour in the future, so he sends notice of the question to the minister. The department tells him how to word the question so that the minister can answer it politely and look good. It is all a great show. Over a period of ten years of steady watching, I suppose the Canadian public would catch on that the whole dang thing is just a sham, that it is just a great show, and would realize that it was a planted question. It would be obvious that the whole 20 minutes was purely for show.

The whole purpose of the question period is to solicit information on the intentions of the government in running this country, not necessarily to give notice but to try to pierce the armour to see if there is any weakness in their administration or their intention in the application of a particular piece of legislation. In my opinion, with television in the House of Commons the question period would eventually be destroyed.

Let us go a step further and study the role of the House of Commons. Many people complain that it is a dead place, that nothing happens here and that everything takes place in committees. Yesterday was a good example. There were eight committees sitting, so the House was rather empty. I was in the agricultural committee in the morning and then in the transportation committee until ten o'clock at night. We had a pretty good attendance there. We had the Minister of Communications (Mr. Kierans) right on the firing line and things were pretty hot at times. With eight committees sitting at the same time, television would not bring members back into the House if they had a duty in the committee. Just because the transportation committee was not televised and the House was, I would not like to think that I had deserted the cause of my constituency and left the committee because I had no chance of getting on television there. Surely a Member of Parliament is not sent here just to sit; he is sent here to work, to use his energy. As long as there are eight committees sitting during the day, whether or not this House is being televised surely duty will come before show in the eyes of many representatives on both sides of the House.

What will be the role of television commentators? Let us suppose that the two hour period, or the whole of the proceedings of the House of Commons is televised. Few people have a chance to watch it regularly—perhaps just those who happen to be ill or are retired. I suppose we still watch television to some extent at home in the evenings, watching the eleven o'clock news and the weekly commentaries and educational shows, etc. Who is going to do those weekly commentaries?

We have just had a debate in this House which hinged on pollution to some extent. Let us suppose that for some reason or another the debate came up in a hurry and the member handling it was not able to bring all his facts with him and consequently was not able to do the job of which he was capable. He does not have 17 research assistants, as have some of the big T.V. commentators. These people can prepare themselves very well for a 15, 20 or 30-minute show on the weekend. They can roll back reels of film of the time when the question was debated in the House and say, "Didn't that Member of Parliament, when he was speaking on pollution, know that 77 per cent of the air pollution in major cities is caused by the automobile?" I just throw that figure out as an example. If television is brought into the House of Commons, the T.V. commentators will assume the role of the opposition to the government more so than they do today.

It is no wonder that the great Pierre Burton and Charles Templeton—the first two that come to my mind—say they are all for it, and that in this technological age it is ridiculous that television should not be in the House of Commons. They think it should, Mr. Speaker, but it should enhance them so that rather than pick holes in my arguments, they can pick holes in me and my ability to push ideas across. It is not that they have ever done it, or that I have any particular grudge against those two commentators. However, it would only enhance them, and not the members who participate earnestly and to the best of their ability in the debate.

Now let us take a quick look at the role of a representative. A Member of Parliament is sent here to concern himself with the prob-

lems of the country and his constituency. Those problems take him all the way from the acreage payments announced a week ago by the minister to the Indian Affairs problem, to the oil problem, to the depths of foreign affairs and to the depths of our military role in the western alliance.

• (5:50 p.m.)

Some of the problems are big; some of them are little. It may seem surprising that it is the little things that concern the people back home. They may be personal problems about which a member has to see a minister, deputy minister or someone in the department. The member must say to that person, "Why wasn't so-and-so given a passport? Why is it being held up? Why wasn't such-and-such a corporation given a grant by the Department of Regional Economic Expansion? A member must be capable of making arrangements to see ministers and deputy ministers. He must be determined enough to pursue the little problems through the bureaucratic empire in Ottawa.

A Member of Parliament should not have to be a television actor capable of presenting arguments before the television cameras every day. I wish to deal with a Member of Parliament who may be very congenial and good at getting in to see ministers or their assistants about the little problems of his constituents, but cannot make a good speech off the cuff. Maybe he cannot talk about any given subject. If television comes into the House of Commons, every constituent in Canada will be watching to see if his member speaks.

If they do not see their member on television making a speech in the House of Commons, they will say, "So-and-so is up all the time, but I haven't seen our member. Where is he? Why isn't he here? Whether he likes it or not, the member will be judged by the number of times he participates in a debate that is being televised. What he says will not be important; what will be important is how he participates in the debate. They will be looking to see whether his hair is combed, what is the colour of his suit, the colour of his eyes, or how well his tie matches his shirt. That is not the reason a member is chosen to represent his constituency. He is not elected solely on his ability to expound at great length on any given subject without having been given notice. He is chosen because of his concern for the people in his riding, his desire to work for them and try to better their position in life. Television in the House of Commons would not enhance this aspect of Parliament at all. We have a very serious matter here with which Members of Parliament must concern themselves.

The Acting Speaker (Mr. Béchard): Order, please. I hesitate to interrupt the hon. member, but his time has expired.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to make a few comments on the motion under consideration, which reads as follows:

> That the Standing Committee on Procedure and Organization, in consultation with Mr. Speaker, be directed to study the question of radio and television broadcasting of the proceedings of the House and its Committees, including the legal, procedural, and technical aspects thereof, and the question of arrangements made for reporters for the electronic media in the Parliament Buildings.

Mr. Speaker, this is a very important piece of legislation because it will be possible, through the media, to reach the people and to acquaint them with what is going on in the House of Commons.

Mr. Speaker, one can but commend the idea of informing the public, but I wonder if the best way of reaching the public was considered in the proposed measure.

I listened attentively to the comments from the hon. member for Crowfoot (Mr. Horner), and I subscribe to several of his observations. For instance, he expressed concern about the course that could be given to the question period, as government back-benchers could prepare in advance their questions for the ministers so as to enable them to indicate the government policy. And if the Liberal back-benchers had the least bit of imagination, they could do exactly the same thing now. There is nothing to prevent a government member to put whatever questions he wants. In any event, they have done so on several occasions.

This can therefore not be argued against televising the debates of the House. It should be realized that the viewers do not have the advantage or privilege that we enjoy, since we are paid to be here, of following every day the debates of the House in front of their T.V. set.

Several people have to work outside. Even the housewife does not have much time to spend in front of her set. Several persons will therefore not be able to follow what goes on

in the House of Commons, for once the broadcasting is over, in the course of it, it is not possible to give an instant replay as is done during hockey or baseball games for instance.

Mr. Speaker, may I call it six o'clock for I would have other remarks to make later on?

The Acting Speaker (Mr. Béchard): It being six o'clock, the House stands adjourned until tomorrow at 2 p.m.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

For Release:
11:15 a.m. E.S.T.
March 9th, 1970

NEWS RELEASE

The Honourable John Munro and The Honourable James Richardson announced today that the federal government has agreed to pay to the city of Winnipeg an additional grant of $589,516.00 to cover the city's share of the deficit of the 1967 Pan-American games.

Mr. Richardson stated that a letter was being delivered today to Mayor Stephen Juba informing him of the government's decision.

With the approval of this additional grant, the federal government has paid a total of $2,839,516.00 or 46 per cent of the total cost of holding the Pan-American games in Winnipeg. This includes the $750,000 federal grant, or 50 per cent share of the cost of the Olympic Pan-American swimming pool which is now in active and continuous use in the city.

In the final accounting, the federal government has paid 46 per cent of the total cost of the games, the Government of Manitoba 42 per cent and the City of Winnipeg 12 per cent.

March 9th, 1970

His Worship Mayor Stephen Juba,
City of Winnipeg,
Manitoba, Canada.

Dear Mr. Mayor:

I am very pleased to inform you that the federal cabinet has agreed to cover your administration's deficit with respect to the 1967 Pan-American games by making a grant to the city of $589,516.00.

I know you will share my great personal satisfaction that this very pressing problem for Winnipeg has been resolved. As you know, Canadians from coast to coast took justifiable pride in the outstanding success of the Pan-American games and the federal government's decision to make an additional financial contribution is a reflection of the widespread appreciation for the contribution made by Winnipeg to Canada's centennial year.

For Winnipeg, the Pan-Am games represented a prodigious community achievement in which thousands of Winnipegers contributed time and effort. The financial support received from all Manitobans and from all Canadians was, of course, vital, but the work, the enthusiasm, the drive and the imagination were of the authentic Winnipeg variety. I am delighted that our city's great contribution to centennial year is receiving this further recognition from the government of Canada.

Sincerely,
James Richardson.

HOUSE OF COMMONS

Thursday, March 12, 1970

The House met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House
Ottawa

12 March 1970

Sir,

I have the honour to inform you that the Hon. Gérald Fauteux, Puisne Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, March 12, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be, Sir, Your obedient servant,

Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General.

• (2:10 p.m.)

[*Translation*]

HOUSE OF COMMONS

VISIT OF PRESIDENT OF NATIONAL ASSEMBLY OF FRANCE

Mr. Speaker: Hon. members will be pleased to learn that, in reply to my invitation on behalf of the House, the President of the National Assembly of France, Mr. Achille Peretti, will visit Canada from March 20 to 23 next. Mr. Peretti will be accompanied by an eminent member of the National Assembly, Questor Lucien Neuwirth.

In the person of President Peretti, members of the House of Commons of Canada will be welcoming a friend. Indeed, our distinguished visitor has often expressed his attachment for this institution and for Canada. A founding member of the Franco-Canadian Interparliamentary Association, he has attended all annual meetings of the Association, which constitutes for us an important link with the National Assembly of France.

Unfortunately, President Peretti's stay will be very short. However, he will have the opportunity of meeting His Excellency the Governor General, the Right Hon. Prime Minister (Mr. Trudeau) and other leaders of Parliament. It will be my pleasure to introduce Mr. Peretti at the opening of the House next Monday, March 23. I have no doubt that the House of Commons will show warmth and cordiality in welcoming President Peretti to the capital city and the Parliament of Canada.

ROUTINE PROCEEDINGS

HEALTH, WELFARE AND SOCIAL AFFAIRS

Third report of Standing Committee on Health, Welfare and Social Affairs, in French and in English.—Mr. Isabelle.

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

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would like to take the opportunity on motions to make my weekly statement on the business of the House because I would like to follow it with a number of procedural suggestions. As hon. members know, the business called for today includes government order No. 47, Bill C-162, with regard to the Standards Council of Canada, and government order No. 78, Bill C-193, with regard to the Industrial Research and Development Incentives Act.

As hon. members know, there will be Royal Assent at 5.45 p.m. this afternoon and the business will be interrupted at 8 p.m. for the budget presentation of my colleague, the Minister of Finance.

Tomorrow the business will be called in the following order: the first item would be government order No. 71, report stage of Bill S-9 to amend the Parole Act, to be followed by such of government orders Nos. 47 and 78 as shall not have been disposed of in today's sitting. As the fourth item of business there will be that perennial favourite, the motion in my name for television in the House.

Business of the House

On Monday next and including through until next Thursday the time will be devoted to four days of budget debate. On Friday, March 20, and on Monday, March 23, the House business will be devoted to legislation to be announced.

On Tuesday, March 24, and subject to the approval of the special order that I hope to propose in just a moment, we would have the final allotted day for supply in this part of the session, and on Wednesday we would be calling other government legislation, with Royal Assent and a motion to adjourn the House for the Easter Recess.

PROCEDURAL ORDER AFFECTING PRESENTATION OF BUDGET

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should like to make a number of procedural suggestions to the House. First, so that we can proceed to the budget debate at eight o'clock this evening and complete the budget proceedings in a normal manner, I would suggest that the House pass an order that at 5 p.m. today the debate on the government item then under discussion should be adjourned so that at 8 p.m. government order No. 2 can be called for the budget presentation, and also that Standing Order 40, dealing with the late show, be suspended for today's sitting. Accordingly I move:

That at 5:00 p.m. today the debate on the item under government orders be adjourned so that, at 8.00 p.m., government order No. 2 may be called for the purpose of the budget presentation; and

That the provisions of Standing Order 40 be suspended for today's sitting.

If there is unanimous consent perhaps that could be made an order of the House.

Mr. Speaker: Is it so ordered?

Some hon. Members: Agreed.

PROCEDURAL ORDER RESPECTING SUPPLY

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should also say that there have been some discussions among the representatives of the various parties with respect to the supply business for this part of the session, and I think it will be found that there is general agreement that one of the allotted supply days should not be taken in this period but that it should be added on to the number of supply days for the third semester of this session and be taken at that time. The understanding is that it is to be a

[Mr. Macdonald (Rosedale).]

Friday in that period under the auspices of the New Democratic Party. On that basis an order has been prepared as follows:

That, notwithstanding the provisions of Standing Order 58, the supply period ending not later than March 26, 1970 shall consist of six sitting days: provided that, in relation to this order, one sitting day shall be added to the next supply period and that, for the purpose of section (10) of Standing Order 58, the sixth allotted day shall be deemed to be the final allotted day in the current period and that at 9.45 p.m. in the sitting of Tuesday, March 24, 1970, unless the business of supply be previously concluded, any proceeding then before the House shall be interrupted and every question necessary to dispose of any supplementary estimates for the fiscal year ending March 31, 1970, all stages of the bill based thereon, the adoption of the motion for interim supply for the period April 1 to June 30, 1970, and the passage of the bill based thereon, shall be forthwith and successively put and disposed of without further debate or amendment.

Mr. Speaker, if there is unanimous consent perhaps that order could be put to the House.

Mr. Speaker: The hon. member for Malpeque.

Mr. MacLean: Mr. Speaker, we in this party are agreeable to this general arrangement.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, this plethora of words sets out what we have agreed to.

Mr. Speaker: Is it agreed and so ordered?

Some hon. Members: Agreed.

LABOUR CONDITIONS

LAY-OFFS BY DUNLOP CANADA LIMITED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Gilbert (Broadview): Mr. Speaker, I rise under Standing Order 43 to ask the unanimous consent of the House to present a motion. I do so as a result of the lay-off at Dunlop Tire Friday involving 600 workers without prior notice. In view of the financial and social hardships that this means I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the question of finding a way to keep open the Toronto plant of Dunlop Canada Limited, pending a thorough study of the operations of the company, be referred to the Standing Committee on Labour, Manpower and Immigration, with instruction to report back to this House within ten days.

Mr. Speaker: Hon. members have heard the proposed motion. As hon. members know, under the terms of Standing Order 43 the motion can be put only if there is unanimous agreement. Is it unanimously agreed that the motion be put at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: It appears there is not unanimity. The motion cannot be put.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

NIAMEY—COMPOSITION OF CANADIAN DELEGATION TO EDUCATIONAL CONFERENCE

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Could he tell the House whether there has been an agreement between the federal government and the province of Quebec about the composition of the Canadian delegation to be sent to Niamey?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Two days ago on March 10 we received a letter from the Prime Minister of Quebec making certain comments on the composition and functions of the Canadian delegation and the part that the government of Quebec would play in the Canadian delegation. After we had been able to consider the letter from Mr. Bertrand at the cabinet meeting today, the Prime Minister sent a reply to Mr. Bertrand.

An hon. Member: What was the reply?

[*Translation*]

Mr. Asselin: Mr. Speaker, I should like to put a supplementary question.

Could the Secretary of State for External Affairs tell the House what counter proposals were made by the federal government to the province of Quebec in reply to the suggestions of the Quebec premier?

[*English*]

Mr. Sharp: Mr. Speaker, if there is agreement, as I hope there is, between our two governments we would, of course, make that agreement public. If there is not agreement I suppose we would make that public too, but we are hoping for agreement.

[*Translation*]

Mr. Asselin: Mr. Speaker, I should like to put another supplementary question.

In my opinion, the Secretary of State for External Affairs did not understand my question. I would like to know what counter-proposals the federal government has made to the Quebec government in reply to the suggestions of the Quebec premier? It seems to me that my question is clear enough.

[*English*]

Mr. Sharp: Mr. Speaker, I am confused about the words "counter-proposals". That is why I could not answer the hon. gentleman's question. The Canadian government's position has been and it must be that we have been invited to go to the meeting in Niamey. The Canadian government has been invited. Certain provinces have been invited by us and by President Diori, as part of the Canadian delegation. That is the fundamental position, and within that context we have been trying to agree as to the respective functions of the federal and provincial representatives. That has been the issue and I hope it has been clarified. We have done everything possible to recognize both the principle that Canada speaks with one voice and the special position of Quebec and the other provinces.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to ask the Prime Minister a supplementary question concerning the Niamey conference.

Can he inform the House on the substance of the letter he has sent to the Quebec premier on the matter referred to by the hon. member for Charlevoix in his question?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I do not intend to do so before the Quebec premier has had time to look into the document; as stated a moment ago by the Secretary of State for External Affairs, if there is agreement, the letter will be made known. On the other hand, in case there is no agreement and the governments involved agree to make the correspondence public, the federal government will have no objection. Then, hon. members can look into the reply.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the Prime Minister.

When did he forward his letter? Was it today, yesterday, or the day before yesterday?

He may not have heard the special news bulletin at noon announcing that the province of Quebec would not be represented at the Niamey conference.

Mr. Trudeau: A special bulletin, certainly not. The letter was forwarded on the 10th, and I perused it yesterday. The cabinet met this morning to decide upon the answer.

Could it be that the hon. member is making a subtle distinction that escapes me, Mr. Speaker?

Mr. Caouette: Mr. Speaker, I have a supplementary question.

The "subtle" distinction is that the Prime Minister does not hear the news properly, or does not listen to them, because the Quebec premier stated this morning, following his announcement with regard to the provincial election, that the Quebec government would not send any representatives to the Niamey Conference.

Mr. Trudeau: Mr. Speaker, I do not know whether there is one hoax or two, one truth or two. For my part, I was presiding at a cabinet meeting at 1.55 p.m. and I do not listen to the radio at the same time.

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I have a supplementary question for the Prime Minister.

Could he tell the House what role has been attributed to the province of Quebec at the Niamey conference?

Mr. Trudeau: Mr. Speaker, the Secretary of State for External Affairs has already explained the general policy. As he said, it has been agreed that there would be a Canadian delegation. However, as the Niamey conference will deal with many matters, both federal and provincial, the delegation is to represent Canada as a whole but as certain of the matters to be discussed might, according to our own internal policy, come within provincial jurisdiction, the Canadian delegation will include representatives of the different provinces involved. That is the basis on which Canada was invited to Niamey, and the basis on which we invited the different provinces, including Quebec, to appoint representatives to the delegation. Moreover, that is how we proceed in the case of other delegations to international meetings.

Mr. Ricard: Mr. Speaker, I should like to ask another supplementary question.

[Mr. Caouette.]

Could the Prime Minister tell the House if the province of Quebec has been charged with a special function since it represents 80 per cent of the French Canadians?

Mr. Speaker: I should like to suggest to the hon. member that this is the question he asked earlier. I should like also to say to him that it would perhaps be appropriate to give other hon. members the chance to ask questions, but we might later on during the question period come back to this problem.

[*English*]

The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to—

[*Translation*]

Mr. Asselin: Mr. Speaker, on a point of order.

[*English*]

Mr. Speaker: Order, please. The hon. member for Charlevoix is rising on a point of order.

[*Translation*]

Mr. Asselin: Mr. Speaker, on a point of order. I have great respect for your guidance, Mr. Speaker, but we often try to ask questions, without success. When matters such as wheat or oil are being discussed, the Chair sometimes allows members to put 10 to 12 questions. However, when a member wants to ask an important question which concerns Quebec or French-Canadians, the Chair should allow him to ask more than one question.

[*English*]

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

LABOUR CONDITIONS

TORONTO—CLOSING OF DUNLOP PLANT—SUGGESTED TAKEOVER BY GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Regional Economic Expansion regarding the closing of the Dunlop Tire Company plant of Toronto without any notice being given to the 600 employees who are now going to be out of work? I ask the minis-

ter if his department is prepared, either alone or in conjunction with the province of Ontario, to take over and operate this plant, as was done with the Dosco steel plant in Sydney, at least until such time as the feasibility of the operation can be established and a course of action mapped out?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I do not think that I can announce any decision concerning that plant at the moment. This is something we are looking into. This may be a sound proposal, but I am not sure that it is a proposal that will be adopted by the government.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. Has the minister or his department made any approaches to the government of Ontario with respect to some joint action which might be taken between the two governments in order to keep this plant in operation and to provide employment for the men who are otherwise going to be thrown out of work without any prior notice?

Mr. Marchand (Langelier): I do not know of any specific communication on that problem. I will make inquiries. Perhaps tomorrow I can answer the question.

TORONTO—CLOSING OF DUNLOP PLANT—SUGGESTED MEETING OF FEDERAL, PROVINCIAL AND COMPANY REPRESENTATIVES

Mr. Robert Muir (Cape Breton-The Sydneys): I have a supplementary question for the Minister of Manpower and Immigration. Would he display the leadership I know he possesses—at times—and immediately convene a meeting of the Minister of Regional Economic Expansion, the Minister of Labour and himself, as well as representatives from the Ontario government, the union involved, and from the Dunlop Company whose action has so seriously affected the workers, to ascertain if the proposed lay-offs, which are being carried out in a crude and terrible manner, can be averted, and report back to the House later?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): As a first step in displaying the leadership which is displayed by the government at all times—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: —I am having a meeting this evening with the group of workers involved. This will be the first step. If a further meeting with my colleagues arises out of the consultation with the workers, I will be happy to arrange it.

Mr. Muir (Cape Breton-The Sydneys): I know about that meeting, Mr. Speaker. I hope to be there also. Rather than delay the matter, will the minister not at this point co-ordinate all these forces and ascertain whether something can be done to prevent these lay-offs?

Mr. MacEachen: Yes, Mr. Speaker.

Mr. John Gilbert (Broadview): A supplementary question, Mr. Speaker, to the Minister of Manpower and Immigration. In view of the proposed meetings this afternoon and this evening with the Minister of Labour, the Minister of Manpower and Immigration and, I hope, other cabinet officials, will the minister make a statement within the next few days with regard to the results of those meetings and any proposed plans that the government may make?

Mr. MacEachen: Mr. Speaker, at the moment I can tell the hon. member that the Department of Manpower and Immigration has been active in this situation for quite some time. We attempted at the beginning to negotiate with the employers a manpower assessment incentive agreement that might, even at a late stage, do some advance planning to assist workers. In the absence of reaching agreement on that point, we have at present about 14 special counsellors in the area attempting to assist the workers in every possible way.

[*Translation*]

LA GUADELOUPE, QUE.—LAY-OFF OF 300 EMPLOYEES FOLLOWING CLOSURE OF PLANT

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I wanted to put a question to the Minister of Labour but, in his absence, I shall direct it to his Parliamentary Secretary.

In view of the fact that the Boa-Ski corporation, set up at La Guadeloupe, in the riding of Frontenac, and sold to American interests a year ago, has closed its plant without notice and that 300 workers are deprived of their livelihood, could the minister—since this is a labour problem—get in touch with officials of the company concerned in order to ensure that these workers are treated in a more humane manner?

Inquiries of the Ministry

[*English*]

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): The Minister of Labour is in his office right now engaged on government business. I will bring this matter to his attention immediately after the question period.

[*Translation*]

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

Could the minister's representative promise that he will go to Miami to negotiate with officials of what has now become an American company?

[*English*]

CANADIAN SOVEREIGNTY

ARCTIC ARCHIPELAGO—CONTESTATION BY UNITED STATES OR OTHER NATIONS

Hon. J. A. MacLean (Malpeque): I should like to address to the Prime Minister a question related to the communiqué which was issued following the thirteenth interparliamentary meeting in Washington. It was stated that the United States delegates did not expect their government to accede to arrangements which would involve United States recognition of Canadian claims to all the waters of the Arctic archipelago. My question is: have Canadian claims to sovereignty over the lands and waters of the Canadian Arctic been challenged by the United States or by any other nation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to thank the House—

Some hon. Members: Oh, oh!

Mr. MacLean: I will ask the Prime Minister a supplementary question and then he can take the opportunity to answer both questions at once. Will the Prime Minister be making an unequivocal and forthright statement asserting Canadian sovereignty over the Arctic before the sailing of the *Manhattan* through the Arctic waters in the near future?

Mr. Trudeau: As I have stated before, Mr. Speaker, when we introduce the bill concerning Arctic sovereignty, which we announced in the Speech from the Throne, the position of the government will be stated.

Mr. MacLean: A further supplementary question either to the Prime Minister or to the Secretary of State for External Affairs. Has the United States government given any indication to date that it will question Canada's right to exercise pollution control over marine traffic in the Canadian Arctic?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No question of that kind has arisen so far. We have been taking effective measures in connection with the voyage of the *Manhattan*, and, of course, no protests have been made with regard to them. I do not think any protest could arise until we had taken action to enforce pollution control measures in the Arctic by a Canadian law. As the Prime Minister has said, the legislation will be before the House, and that is the time at which the matter can be tested.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the Secretary of State for External Affairs whether the United States government has communicated to the Canadian government at any time its contention that the Northwest Passage is open sea rather than Canadian territorial waters?

Mr. Sharp: I would have to search the files to determine exactly what the United States government has said to us in this regard. It is certainly clear they would probably not accept without question the claims that we would make.

GRAIN

WHEAT—PROSECUTIONS FOR OFFENCES AGAINST WHEAT BOARD REGULATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Minister without Portfolio in charge of the Wheat Board, the hon. member for Saskatoon-Humboldt. Having regard to the multitude of prosecutions which are taking place or have been launched in the province of Saskatchewan under the Wheat Board Act, and the fact that most of the alleged offences were of a technical nature, as in the Humboldt area of which the hon. gentleman has some knowledge, has consideration been given by the Wheat Board to withdrawing these charges because of the uncertainty of the potential prosecution, which now hangs over so many western farmers, especially in view of the difficult economic situation in which our province finds itself at this time?

Hon. Otto E. Lang (Minister without Portfolio): The question of particular charges laid under the Wheat Board regulations has certainly been receiving considerable attention and publicity. Consideration has been given to

the whole question of their nature and background. However, I really have no more to say to the House at this time about the matter.

Mr. Diefenbaker: Having heard that equivocal answer from the minister, may I ask whether it means that the threat of persecution—prosecution—

An hon. Member: Right the first time.

Mr. Diefenbaker: —on technical grounds, which is now hanging over western farmers, will not be proceeded with? And will the minister also tell us how the siutation in Humboldt in his own constituency is developing?

[*Later:*]

Mr. Diefenbaker: A supplementary question. I should like to ask the Minister without Portfolio whether there have been any withdrawals of prosecutions within the last few days?

Mr. Lang: Not to my knowledge, Mr. Speaker.

WHEAT—ACREAGE REDUCTION PROGRAM—CLARIFICATION OF EXPLANATORY PAMPHLET

Mr. A. P. Gleave (Saskatoon-Biggar): I, too, wish to direct a question to the Minister without Portfolio in charge of the Wheat Board, Mr. Speaker. In view of the fact that the pamphlet put out to describe the operation of the wheat acreage reduction program does not give any examples which would apply to a farm that has been under continuous cropping, will the minister prepare such an example and release it for the information of farmers and of the House?

Hon. Otto E. Lang (Minister without Portfolio): We shall, of course, be dealing with many more examples in due course in addition to the kind of case referred to by the hon. member. We shall be discussing these in public and giving appropriate publicity to them.

Mr. J. H. Horner (Crowfoot): Can the Minister without Portfolio assure western farmers that in the application of the acreage reduction program special consideration will be given to those who were hailed out last year or who were unable to harvest their crops because of unseasonable weather?

Mr. Lang: The program itself is not designed to compensate farmers for damage which their crops may have suffered as a result of hail or similar occurrences. However, the position of farmers who did not have a surplus because of such disasters was certainly taken into account in the designing of the program.

[*Translation*]

AGRICULTURE

DAIRYING—MEETINGS WITH REPRESENTATIVES OF FARMERS' ASSOCIATIONS

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

In reply to a question last week in the House, he said that there had been some talks between the representatives of the Canadian Dairy Commission, those of the department and those of farm organizations. Could he tell the House whether there have been negotiations with the representatives of the Quebec Manufacturing Milk Producers' Union, together with those of the UCC executive?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, but not in the last few days.

Mr. Speaker: The hon. member for Ontario.

Some hon. Members: Hear, hear.

Mr. Speaker: I am sorry. The hon. member for Ontario will have to wait for just a few moments. There is a supplementary question to be dealt with. I will return to him shortly.

[*Translation*]

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

I know that the minister has just said "not in the last few hours", but my question relates to March 5, 1970, because at that time the minister answered that talks were going on with representatives of the dairy industry.

Mr. Speaker: Order. The hon. member has now had his supplementary question.

[*English*]

Mr. Olson: Mr. Speaker, I had a meeting yesterday with the representative committee of the Dairy Farmers of Canada. Prior to that I have had several discussions with some of the producers of Quebec, including representatives from the UCC, though I am not sure of the exact dates.

Mr. Speaker: The House will now reward the patience of the hon. member for Ontario.

Inquiries of the Ministry

LABOUR CONDITIONS

LAID-OFF GENERAL MOTORS EMPLOYEES—TYPE OF BENEFITS AVAILABLE

Mr. Norman A. Cafik (Ontario): Thank you, Mr. Speaker. I have a question that I should like to direct to the Minister of Industry, Trade and Commerce. Was he reflecting government policy when on March 6 he indicated that laid-off employees of General Motors in Oshawa will be eligible for TAB benefits?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this question gives me an occasion to confess that I made a little mistake the other day; I referred to the TAB program when I had in mind SUB, and I apologize for that slip.

The policy is simply that either SUB or TAB can be used. In the case of TAB, a relationship must be established between the lay-off situation and the Canada-U.S.A. automobile agreement. In the three latest instances such relationship was not established.

Mr. Cafik: A supplementary question, Mr. Speaker. Would the minister indicate whether these laid-off employees have any recourse by way of appeal from the decision that has been made in this respect by the adjustment assessment board?

Mr. Speaker: Order. I would not think that that question is in order. The hon. member is inviting the minister to express an opinion on an interpretation of the law and regulations, and in this form the question is not in order.

REGIONAL ECONOMIC EXPANSION

SPECIAL AREAS—OMISSION OF PARRY SOUND-MUSKOKA—FURTHER DESIGNATIONS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. My question concerns the announcement yesterday of special areas eligible for assistance by his department, and the unfortunate and ill-considered omission of the Parry Sound-Muskoka region while including adjacent areas in a similar situation. Does the minister intend to make further special designations from time to time which might hopefully include this region?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Yes, Mr. Speaker. We have designated a certain number of areas now. Probably in the future we will have to designate some more, depending on circumstances, but I cannot indicate any limit or give any time period within which this will be done.

Mr. Aiken: A supplementary question, Mr. Speaker.

Mr. Speaker: Order. I hope that supplementaries will not all be directed to situations in particular regions of the country. For the moment we might allow a supplementary question from the hon. member for Parry Sound-Muskoka.

Mr. Aiken: Thank you, Mr. Speaker. I would like to ask the minister whether he can briefly explain the criteria on which people can get in on these special designations.

Mr. Speaker: Order, please. I suggest to the hon. member that this very general information ought to be given by way of a statement on motions.

Mr. Frank Howard (Skeena): Mr. Speaker, I have a supplementary question. In light of the announced program of the government to create a higher level of unemployment, would the minister consider declaring the whole country a special area for incentives?

DESIGNATION OF SPECIAL AREAS WHERE ARMED FORCES BASES CLOSED

Mr. R. E. McKinley (Huron): A supplementary question, Mr. Speaker. I intended to ask this question yesterday but the question period was too short. My question is directed to the Minister of Regional Economic Expansion. In view of the minister's statement yesterday, would he now make it possible to make all areas where Canadian Armed Forces bases are being closed eligible for assistance under the program? I ask this question in view of the fact that the Canadian Armed Forces base at Clinton is now in the course of being phased out.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Unfortunately, Mr. Speaker, I cannot make this general statement.

OMISSION OF CORNWALL FROM SPECIAL AREAS

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question. In view of the fact that on television last evening mention was made of the fact that naturally Your Honour could not express any interest in the reasons why Cornwall was omitted, would the

minister say why Cornwall, with 20 per cent unemployment, was left out of the special areas program?

Some hon. Members: Answer!

Mr. Diefenbaker: The Speaker is not holding you back.

ARDA GRANT TO INDIAN ASSOCIATION OF ALBERTA

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. In light of the severe difficulties which are likely to result from the drastic cutback in the grant to the Indian Association of Alberta under ARDA, and in view of the fact that economic development among Indians is likely to suffer most from such a cut, will the department consider reviewing its decision to cut the grant?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I was not aware that the grant had been cut.

Mr. John Burton (Regina East): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. Is his department presently considering further programs of assistance to people of Indian and Métis origin?

Mr. Marchand (Langelier): Yes, Mr. Speaker.

[*Later:*]

Mr. Mazankowski: Mr. Speaker, I have a further supplementary. In light of the fact that the minister is unaware of the cutback in the grant, would he take it upon himself to talk with the president of the Indian Association of Alberta who is presently in Ottawa?

Mr. Marchand (Langelier): Mr. Speaker, I met with the president yesterday and I think he is now convinced that the grant has not been cut back. Certainly the grant was not increased, as he probably wanted.

SPECIAL AREAS—MEADOW LAKE—SUGGESTED INCLUSION OF BIG RIVER REGION

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. The people of Meadow Lake are certainly very happy with the announcement made yesterday, but could the assistance be extended to take in the Big River area, where a year ago an unforeseen and unfortunate occurrence resulted in the loss of the sawmill, leaving the area in great need of expansion. I think this is very urgent—

Mr. Speaker: Order. The hon. member can be considered to have made a representation to the minister.

[*Translation*]

COMBINES

ACTIVITIES OF RUBBERMAID COMPANY

Mr. Pierre De Bané (Matane): Mr. Speaker, I would like to address a question to the Minister of Consumer and Corporate Affairs who received about five months ago a request to investigate the activities of the Rubbermaid Company which was allegedly violating the Combines Investigation Act.

In view of the time that has elapsed, could the minister inform the House what concrete steps he has decided to take immediately in keeping with his authority?

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I have explained on a number of occasions, proceedings under the Combines Investigation Act are kept confidential until a charge or report is made.

Mr. Speaker: The hon. member for Lisgar.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker—

Mr. Speaker: Order, please. Unless the hon. member wishes to ask a complementary question, I invite the hon. member for Lisgar to put his question.

[*English*]

GRAIN

WHEAT—ACREAGE REDUCTION PROGRAM—CONSULTATION WITH CHAIRMAN OF GRAINS COUNCIL

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister without Portfolio from Saskatoon. In light of the statement made by the chairman of the Canada Grains Council to an agricultural seminar at the University of Alberta that the government acreage reduction plan may not benefit individual farmers, can the minister inform the House whether Mr. Runciman was consulted with regard to the development of the plan?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister without Portfolio): Yes, Mr. Speaker, Mr. Runciman was among the leaders of farm and other organizations consulted during the formulation of the plan.

Mr. Muir (Lisgar): A supplementary question. In view of the fact that the minister has apparently chosen to ignore the advice of the chairman of the Grains Council, a body that was set up to advise the government on these matters, is it the intention of the government to disband this group as an advisory body?

Mr. Lang: Mr. Speaker, it is certainly not the intention of the government to do that. Neither is it a fact that the advice of this body has been ignored.

CONSUMER AFFAIRS

ACTION RESPECTING NON-RETURNABLE BOTTLES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of recent legislative action in British Columbia against non-returnable bottles, and in view of the announcement of the Minister of Highways of Alberta that the highways ministers of all ten provinces will discuss this matter unless the Department of Consumer and Corporate Affairs places a ban on non-returnable bottles, what plans has the minister to protect the consumers of Canada against this pollution menace?

Mr. Speaker: Order. The question should be placed on the Order Paper, or if the minister prefers he might make a statement on motions.

[*Translation*]

AGRICULTURE

DAIRYING—MEETINGS WITH REPRESENTATIVES OF FARMERS' ASSOCIATIONS

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to ask the Minister of Agriculture a question.

In view of the statement he made a moment ago, could he tell the House if, between February 17 and March 5, he had talks with the representatives of the Quebec manufacturing milk producers' union as well as with those of the UCC?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am not sure of the dates, but during the course of the last three months I have had several meetings with representatives of the groups named.

LABOUR CONDITIONS

LEGISLATION REQUIRING SIX MONTHS NOTICE OF PLANT OR MINE CLOSURES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is related to the disaster that has struck the workers of Dunlop of Canada at Toronto, and it is directed to the Minister of Regional Economic Expansion. Can he advise when legislation may be brought forward along the line suggested by members of the opposition, and concurred in by the minister, which would compel corporations to provide notice of closure of a plant, mine or, indeed, any operation, at least six months before the cessation of operations resulting in throwing workers on the street?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, there are too many weaknesses in this proposal and I do not think the government will adopt it.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, would the minister advise why he soundly endorsed this policy when we had a similar problem at the Hawker-Siddeley Steel plant at Sydney, which threw 3,000 people out of work, and this government sat back and did nothing?

GRAIN

WHEAT—ALLOTMENT TO WHEAT OF 50 PER CENT OF ACREAGE SEEDED TO FORAGE IN 1969

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister without Portfolio responsible for the Wheat Board. Has the hon. gentleman received representations from the Manitoba pool elevators recommending that farmers who seeded forage crops in 1969 be allowed to claim 50 per cent of that acreage for wheat in 1970 and, if not, will he give positive consideration to this recommendation?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I have been out of the office for a day or two and neither this representation nor any such representation has come to my attention. I will certainly look into the matter as to whether or not it may have been received.

WHEAT—ACREAGE REDUCTION PROGRAM—AVAILABILITY OF GRASS SEED AT REASONABLE PRICE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplemen-

tary question for the Minister without Portfolio responsible for the Wheat Board. In light of the serious shortage and high prices of grass seeds resulting from the government's recently announced wheat acreage reduction plan, can the minister indicate what action, if any, is being taken to make these grass seeds available at a reasonable price?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, before announcing the plan we had information about the allocation of grass seeds and the likely available supply. It was reassuring to us to know that the large quantities were in the hands, for instance, of farmer-owned organizations. We were sure we could count on them to be responsible in regard to the price of these seeds.

REGIONAL ECONOMIC EXPANSION

TAKEOVER OF FAIREY AVIATION PLANT

Mr. J. M. Forrestall (Dartmouth-Halifax East): I should like to ask a question of the Minister of Regional Economic Expansion, Mr. Speaker. Can he indicate what progress is being made by the Bell Corporation, Fairey of Canada, E.M.I. Electronics and the group interested in the takeover of the Fairey plant?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the negotiations are still going on and I am still very hopeful that they will reach a settlement.

LABOUR CONDITIONS

TORONTO—CLOSING OF DUNLOP PLANT—LEGISLATION RESPECTING SIMILAR OCCURRENCES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to raise a question that has in part been discussed, and I direct it to the Prime Minister. In light of the Dunlop plant closing without notice, putting 600 men on the scrap heap of unemployment, is the government considering any form of legislation to deal with the likelihood of similar occurrences in federally controlled industries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would seem difficult for the federal government to consider legislation in an area which is essentially provincial.

Mr. Brewin: I have a supplementary question, Mr. Speaker. I think the Prime Minister misunderstood my question. I asked whether in light of this occurrence, within provincial jurisdiction it is true, the government was considering dealing with the possibility of similar occurrences in federal industries by federal legislation? I was not proposing that we should go into the provincial field.

Mr. Trudeau: I would gladly consider that proposal, Mr. Speaker.

An hon. Member: You don't have to; it is already on the books.

POLLUTION

VANCOUVER HARBOUR—KILLING OF FISH BY CYANIDE

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. In view of reports that another major fish kill induced by pollution has occurred in Vancouver harbour, is the minister able to inform the House whether the nature and source of this pollution have been determined and what action, if any, is contemplated?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the pollutant in question is definitely cyanide which came, in all probability, from a plating plant in the area. We hope this afternoon to definitely pinpoint the plant. Of course when we do a prosecution will follow.

[*Translation*]

HOUSING

MONTREAL—LITTLE BURGUNDY URBAN RENEWAL PROJECT

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the minister in charge of housing.

In view of the difficulties the city of Montreal is presently experiencing about the Little Burgundy project and since there has been a 50 per cent reduction of the subsidy for that project, could the minister tell us whether he intends to review his decision and if he agrees with his colleagues that an order in council is not a commitment?

Mr. Speaker: The second part of the question is obviously not acceptable.

[*English*]

I believe the hon. member for Fraser Valley West has a supplementary question.

Mr. Rose: Mr. Speaker, I have a supplementary question for the Minister of Fisheries in relation to the questions asked by the hon. member—

[*Translation*]

Mr. La Salle: On a point of order, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. I regret very much to interrupt the hon. member, and he will be recognized in a moment, but the hon. member for Joliette has a point of order.

[*Translation*]

Mr. La Salle: Mr. Speaker, you will not allow the second part of my question. I agree with you on that point, but the minister is apparently willing to answer the first part.

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, no basic revision of the amount of money being considered is now under review. Negotiations have been going on in respect of this whole matter of urban renewal with regard to the government of Quebec, including the one in Montreal. I have stated before that there was an Order in Council in 1966 authorizing the entry into negotiations with the city of Montreal vis-à-vis la Petite Bourgogne, but this was superseded to a considerable degree by the formation of the Quebec Housing Corporation and the entering into matters occurring subsequent to the Order in Council.

[*Later:*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, my question is directed to the Minister without Portfolio in charge of housing. I think he made a mistake earlier when he referred to the Order in Council of 1966. I think he meant 1967. I would like to ask the minister whether this Order in Council has been rescinded or if the minister does not intend to live up to the Order in Council to pay half of the cost of La Petite Bourgogne?

Mr. Andras: Mr. Speaker, the master agreement with Quebec of 1968-69 meant that we offered $27 million to the province of Quebec for urban renewal programs in that province, the priorities of which were to be decided by the government of the province of Quebec. It certainly would be totally up to them to make decisions to apply some of that fund to the Montreal situation. I believe a very small amount was for a neighbourhood operation in Little Burgundy. Subsequently we offered an additional sum last December, drawing their attention specifically to the Montreal project and the project in Quebec City. This amount is negotiable. If they want to pay it all to the city of Montreal we are certainly open to that type of suggestion.

POLLUTION

VANCOUVER HARBOUR—KILLING OF FISH BY CYANIDE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a question supplementary to the question directed by the hon. member for Burnaby-Seymour to the Minister of Fisheries. When the cause of this particular pollution is ascertained will the name of the polluter be made public?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, certainly when a charge is laid, and I expect one will be laid, the name of the polluter will be made public.

HEALTH AND WELFARE

AVAILABILITY OF NON-CYCLAMATE DIET FOODS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the deep anxiety felt by many diabetics on special diets about the approaching deadline in respect of the purchase of diet foods, will the minister state whether manufacturers will be ready to market substitute foods to take their place?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the food industry has indicated to myself and the Food and Drug Directorate that it will be possible to produce dietetic beverages and spreads without the use of cyclamates. Formulation research is in progress on dietetic fruits and it is anticipated that satisfactory fruit products without cyclamates will also be available. Some of these spreads are already on the market, and I presume—

Mr. Speaker: Order, please.

GRAIN

WHEAT—ACREAGE REDUCTION PROGRAM—PROVISION OF APPEAL BOARD

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to address a question to the Minister without Portfolio from Saskatchewan. I should like to ask when he hopes to set up an appeal board which will deal with matters such as indicated by the question of the hon. member for Crowfoot, in addition to

the problem facing those people who broke land, and also in respect of the special conditions that may exist on Indian reserves where some of the land is under contract? When can we expect that appeal board to be set up?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the regulations concerning the acreage reduction program are being developed at the present time. I cannot put an exact time on when they may be finalized.

Mr. Speaker: Orders of the day.

Mr. Marshall: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. I believe the hon. member for Humber-St. George's-St. Barbe is rising on a point of order.

Mr. Marshall: Mr. Speaker, I know that you have a difficult task in recognizing members and I do not mind getting up 25 or 30 times, but I am just wondering if I could be given an idea as to when I can ask a question. I have a file six inches thick. I cannot understand it, Mr. Speaker, because you accept questions from this side of me and from that side of me and come back the next day to this side and that side. Should I come here any more or should I stay in my office?

Mr. Speaker: The point raised by the hon. member is well taken. If hon. members are in agreement, perhaps the hon. member should be allowed to ask his question at the present time. I hope, however, that this does not set a precedent.

Mr. Marshall: Really I should not do it, Mr. Speaker. My question is for the Minister of National Health and Welfare, but he has gone now. I will try tomorrow.

Mr. Speaker: Perhaps the hon. member might ask the question and it would be on the record.

An hon. Member: Here comes the Minister. He just put out his cigarette.

Mr. Bell: He really should not smoke.

Mr. Marshall: I thank the minister for coming back. Perhaps we should get together and have a drink or something.

HEALTH AND WELFARE

NEW PHYSICAL FITNESS PROGRAM—GRANTS TO ROYAL CANADIAN LEGION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Could the Minister of National Health and Welfare advise the House if, under the new program for physical fitness which he is due to announce later this month, provision will be made for grants to the Royal Canadian Legion? I am referring to the grants that were withdrawn from the national track and field program which has been of such enormous value to the development of youth in the country.

Hon. John C. Munro (Minister of National Health and Welfare): At the time the Royal Canadian Legion received their last grant they were advised that we would not be in a position to renew it.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

STANDARDS COUNCIL OF CANADA

ESTABLISHMENT, OBJECTS AND POWERS, ORGANIZATION, ETC.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved that Bill C-163, to provide for the establishment of a Standards Council of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Cliff Downey (Battle River): Mr. Speaker, before we begin consideration of this question, I should like to raise a point of order for your consideration. The point does not require an immediate decision but, perhaps, a decision should be made on it in advance of any amendment that might be proposed. Briefly, the point of order centres on the basic principle adopted by the House that the same question can only be considered and resolved once during a session of the House.

The specifics of the point of order are that Bill C-163 purports to be a money bill under Standing Order 62. The message and recommendation of the Governor General were printed on the notice paper of 28 November, 1969, and in *Votes and Proceedings* of 1 December, 1969. The text of the recommendation is printed on the page of the bill facing page 1. The purpose of the bill is given in the title as, an act to provide for the establishment of a Standards Council of Canada. The recommendation and clause 17 of the bill provide that the money for this purpose shall be paid out of money appropriated by Parliament.

Standards Council of Canada

The main estimates for 1970-71 were tabled on February 11, 1970. When they were brought in, the message from the Governor General was presented to and read by you, Mr. Speaker, pursuant to Standing Order 62(3). This message is the money resolution that will cover all the votes in the Main Appropriation Act. These votes are founded on the items in the estimates. The estimates for the Department of Industry, Trade and Commerce authorize a budgetary expenditure of $190,000 as a "grant to assist in establishing a national standards association". This appears at 10-10 of the department's estimates and is included, I believe, in vote 5 under "grants and contributions".

As far back as April 2, 1604, there has been a parliamentary rule:

> That a question being once made, and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the House.

This rule, although not in our Standing Orders, has always been followed in this House. It is cited in Bourinot and Beauchesne, and has been upheld in decisions of our speakers in recent times. It is a common sense rule that is intended to prevent repetition in debate and stability of decision during a session.

• (3:10 p.m.)

It seems to me that this House is going to be asked to vote successively in this session on two identical questions: once on the so-called money vote in this bill and once again on a part of the budgetary vote for the department in the main appropriation bill. If we proceed on the assumption that this is a money bill and vote on the question that this bill have third reading and pass, then so much of the budgetary vote in the department's estimates as relate to the purpose of this bill will have to be deleted when the main appropriation bill is brought in.

I believe that the late Watson Sellar wrote in the audit guide a direction to the audit officers that they could not pay out money under a bill such as this.

Hon. Donald S. Macdonald (President of the Privy Council): It seems to me, even from the hon. member's own remarks, that there is every indication that these are two different questions. The first concerns the setting up and empowering of a Standards Council of Canada, provision for which is made under this bill, and the second is the appropriation of money from time to time to provide for it.

[Mr. Downey.]

I suppose that the logic in the thinking of the hon. gentleman would lead him to conclude that since virtually every federal public law that provides for a money spending body is covered by the annual appropriations, one could never introduce in the same session both an appropriation bill and any amendments to the basic statute. Clearly, this does not follow. The words of clause 17 referred to by the hon. member bring out clearly that the creation of the body is something quite different from the appropriation of money. This is a standard clause which has been adopted by the House many times and used repeatedly in statutes, providing that the appropriations may be made from time to time and to give flexibility to the institution so it can increase or decrease its funds from year to year.

The simple answer to the hon. gentleman's question is that the creation of this body, with possible demands against the Consolidated Revenue Fund, is one question, and the actual annual appropriation of funds from time to time is another question. In effect, the two questions, are not the same at all. There are different aspects of the administration of this problem, and I suggest therefore that there is no conflict between the two.

I suppose it could also be said that neither of the two questions has really been decided as a second point. The House cannot assume at what time this bill will be passed nor can one make assumptions with regard to the appropriation for the national standards. So that, in effect, neither of the questions has been decided at this time.

The fundamental point is that the matter of the creation of the body is separate and independent from the appropriation of funds for it from time to time, and this is my reply to the hon. member's point of order.

Mr. Speaker: Basically the hon. member is right in his contention that the same question cannot be put twice to the House during the same session. This has been decided, as the hon. member has pointed out, and we should be careful at all times not to put the House in a position where a decision has been reached and the same question is put a second time. That is only logical, and I am sure hon. members would want the Chair to ensure at all times that this principle is preserved.

However, I think that the argument brought forth by the President of the Privy Council (Mr. Macdonald) has considerable merit, particularly the second point which he raised. I think that the hon. member, if he has a point of order, is anticipating the situation.

He is assuming, first, that the bill will pass, and second that there will be an estimate to cover the situation later on. I think that if he has a point, he would have to wait, first, for the bill to be passed and then for the matter to come up, again before the House. At this time he may suggest that we are being asked to consider for the second time a question on which a decision has already been reached. So, my suggestion to the hon. member is that he is anticipating the situation. I am not ruling that his point of order would be acceptable if it were raised later on, but I respectfully submit to him that it cannot properly be submitted at the present time.

[*Translation*]

Mr. Pepin: Mr. Speaker, if I am allowed to say a few words on your comments, I undertake not to spend the $190,000 if the bill is not carried. I think that this would be agreeable to everyone.

Mr. Speaker, the purpose of the bill now introduced in the House is to establish a corporation to be known as the Standards Council of Canada. It will be responsible for promoting and co-ordinating the role of existing organizations involved in voluntary standardization in Canada. It would also be responsible for Canadian participation in international voluntary standards organizations.

Before we have a look at the bill, let us ask ourselves a few basic questions about standards. Not long ago I acquired some knowledge on the subject and I should like to share that knowledge with my honourable colleagues.

What are standards? Mr. Speaker, standards permeate all aspects of life. A standard is a basis of comparison. It can be anything used to measure, to measure in its broadest sense: length, height, time, colour, utility, performance of products, beauty, virtue, tolerance—and so on.

Let us have some examples:

Building codes or zoning regulations, established by municipal governments, are standards. Regulations defining membership in a club are standards. School examinations are standards of academic excellence.

In the present bill however, we are naturally concerned only with the industrial standards of products and their manufacturing process.

In industry and commerce, standards may define how something is to be produced or how something should perform. For example, a standard might define a kind of steel by stating its composition and heat treatment or again its strength and hardness.

A standard can also define size and shape, for example, the size and shape of a cassette for a tape recorder is standardized to permit interchangeability, that is to permit their use in recorders of different makes. Plywood and wallboard are produced in standard sizes to facilitate design.

Standards also can define the brightness of a light bulb, the power of an engine or the durability of paint. Mr. Speaker, I am cutting this short, but this gives an idea of the nature of industrial standards. Every day, each member of the House undoubtedly comes into contact with industrial standards, whether he drives a car that meets certain performance requirements, uses a home appliance subject to safety conditions, eats meat of a certain quality level or buys Canada Standard Size garments for his children.

Mr. Speaker, there are two types of standards. First of all, there are voluntary standards. In most free enterprise economies the identification, formulation and usage of many standards is based on voluntary participation arising from a recognition of a common interest on the part of producers and consumers.

There are also mandatory standards. In some areas, such as public health, safety, or welfare, it is not sufficient sometimes to leave the enforcement and the development of standards to voluntary action. In the food and drug industries, for example, or even in the construction industry, no variation in minimum quality levels can be permitted if the public is to be fully protected. Mandatory standards are therefore established by legislation, at one or another level of government, making compliance a legal obligation.

Penalties are imposed upon individuals, associations or companies that do not adhere to the requirements specified in the legislation. There was an illustration of this in the House yesterday with the bill providing for mandatory standards with regard to motor vehicle safety.

I underline that Bill C-163 is concerned exclusively with voluntary standards. I repeat that there is nothing in it about mandatory standards.

Why do we need standards? First of all, it is in order to improve the quality of goods. Standards provide also for the interchangeability of parts which makes possible, of course, mass production techniques. When a part is standardized, it is possible to manufac-

ture it in greater quantity, because it is known that it can be mounted on several devices.

Standards help also to improve the flow of goods and services in international trade. This is obvious. If a part is standardized, it can be sold in several countries, but if it is not, its sale will be limited to the domestic market.

Standards help to bring some order into a world where industrial production is becoming more and more diverse. Once you know that a certain article meets a given standard, you already know a great deal about it.

In a country such as Canada, where about 40 per cent of the industrial production is destined for export, international acceptance of our goods and the expansion of our trade is directly tied to the extension of the use of standards in Canada and in foreign markets.

I have asked the able member for Burnaby-Seymour (Mr. Perrault) to say more about the importance of standards in industry and commerce.

Who uses standards?

Standards are of interest to two main groups of people: the industrial producers and the users or consumers. I have already said enough, Mr. Speaker, not to have to demonstrate the interest of the producer.

The user, be it the large industrial purchaser or the man on the street, will want to ensure that standards are drafted in a way to constitute a meaningful protection of his interests.

I believe the Minister of Consumer and Corporate Affairs (Mr. Basford) will speak further on this matter of protecting the consumer by way of voluntary standardization.

Who can create standards? In each country, industrial and commercial standards can be written by one or more agencies. These agencies may be private or public. Standards used in some fields may actually be written abroad (by an international or a national foreign agency) and 'imported' into a country by companies who find it convenient to use them.

• (3:20 p.m.)

Mr. Speaker, it should be pointed out that there is no single "right" or "wrong" way for standardization to take place. Different industries, different countries use diverse approaches. For instance, we will be told that the "American way", the "French way" or the "English way" to implement standardization is the best one. I do not think that argument has any value. Every country sees the problem from a different angle, and has its own way of institutionalizing it into agencies such as the ones I shall deal with later.

In this connection, Canada provides a good illustration of the possible diversity of approach. Indeed, we have here in Canada quite a varied and complex situation. This is precisely one of the reasons why we advocate the setting up of the Standards Council, that is to attempt to draw up some strategy, some co-ordination between the various agencies I will now mention.

Many standards employed by Canadian companies are written by the Canadian Standards Association. This Association has a long history and is the prominent private agency in Canada. And we want to make sure that its importance will be recognized and even emphasized.

A limited amount of standards writing is performed by other private agencies, such as the Canadian Gas Association or the Canadian Pulp and Paper Association.

In many important fields where the CSA is not active—for instance, textiles, paper products, paints or petroleum—much standardization has been performed by the Canadian Government Specifications Board.

Although this Board is a federal organization, many of its standards have been adopted voluntarily by the private sector and are now used throughout Canada. In several other important fields, standards used by Canadian manufacturers have been formulated in other countries, notably the United States. Thus, the ASA speed rating on photographic films relates to an American Standards Association standard (now called the American National Standards Institute).

Finally, Canadian standards may be affected by international consultation. There are two major standards-formulating bodies at present: The International Organization for Standardization and the International Electro-Technical Commission. These agencies prepare international standards which, as they become accepted in more countries, do much to facilitate the flow of world trade. Their work is particularly helpful to small and new countries who may be more or less "starting out" in standardization. It does not mean that other countries do not also use it extensively.

To protect its own position, Canada must ensure that its interests are taken into account by these international agencies, ISO and IEC.

To sum up, I should say that standards emanate, in Canada at least, from a wide variety of agencies and organizations. So there is a possibility that a patchwork quilt of standards, repetitious, if not contradictory, may develop.

Consequently, only close intra-national and international consultation in standards writing helps to ensure the consistency and efficiency that we all want so much.

The need for consistency and co-ordination in Canada, in standards making, is the driving force behind the legislation I have the honour of introducing today.

In view of the fact that the present bill would create a national Canadian entity in this area, let us ask ourselves what should be the characteristics of a national standards organization.

I ask the question once again: since we are trying to establish such a body this afternoon, and perhaps another one tomorrow, what should be the features of a standards organization in Canada?

It should meet the following requirements. First of all, it should be representative of all those groups with major interests in standardization. Broadly speaking, this includes producer and consumer associations, plus government representatives from all levels, since governments are major users of standardized products besides having responsibility to ensure that the broad public interest is taken into account.

The first condition is that this organization should really be representative of all those concerned. The second condition is that it should be able to gain and retain, through the quality of its management, orientation, dynamism and leadership the confidence of industry and the general public.

The third condition is that this organization should be impartial. No group's special interests should be allowed to predominate in the organization. As it was said about Caesar's wife, not only should it be impartial, but it should also give the impression of being so. It seems to me that the most important thing is "to be" impartial, but "to seem to be impartial" is not unimportant either.

The fourth condition is that this organization should have a wide scope of activity and concern, and be prepared to take an interest in all sectors and in all parts of the country, as well as in developments in other countries.

The fifth condition is that the organization should be energetic, responsive to needs and able to identify new areas of concern, in the light of rapid technological developments and constant increase in the variety of new products placed on the market.

It should also be fully aware of the government policy in the field of industrial development and international trade and be able to develop a fund of information relating to standardization in the country as well as abroad.

That is, Mr. Speaker, the aim of the new Standards Council. The government felt that only such a Council as the one described in the bill could meet all these criteria—or all the standards, if you will allow me this play on words—which I have just mentioned.

Mr. Speaker, the hon. member for Bourassa (Mr. Trudel) has told me that he would like to give the history of standardization in Canada as well as in foreign countries, to underline the importance of it.

[*English*]

For my part, I speak now not to the history of the whole field of standardization but to the history of this particular bill, C-163.

In 1966, in view of the growth of Canadian international trade and of the increasing rate of technological change leading to a proliferation of new techniques and products, the federal government thought that a close look should be taken at the development of standards in Canada. A steering committee was established comprising representatives from the federal government and the major private Canadian standards writing agency; that is, of course, the Canadian Standards Association. The purpose of this steering committee was to examine standardization activity in the country and to make recommendations for future action. The federal government and the CSA were equally represented on that steering committee, having six members each.

In July, 1967, the prime minister of the time wrote to each of the provincial premiers inviting them to send representatives to a full federal provincial conference for an exchange of views on the steering committee's proposals. This conference was convened in February, 1968. I am trying to underline, en passant, that we have been at it for four years; this is why I give the whole chronology of events that have taken place. A consensus was reached at that federal provincial conference: a standards council of Canada should be established.

Standards Council of Canada

In June, 1968, the Canadian Standards Association annual meeting approved a resolution supporting the creation of the Standards Council of Canada. In July, 1968, 258 organizations selected by the federal government-CSA steering committee were sent detailed information of proposals concerning the establishment of the standards council of Canada. Each organization was asked to indicate its reaction and replies indicated an overwhelmingly favourable reaction. I do not know what those who did not reply would have said, of course.

In June, 1969, the unanimous support of the steering committee proposing the establishment of the standards council of Canada was submitted to the government. The government decided, then, to proceed on the basis of the committee's recommendation. After four years of careful consideration and consultation with standards writers and users, the time had come indeed for us to take concrete action. Thus, in December, 1969, this House gave first reading to the present bill.

• (3:30 p.m.)

What is in the Bill? The objects of the council are defined. Those objects are to "foster and promote"—and I do not know how many times I shall repeat those words before the close of my presentation. Nowhere in the bill will one see the word "replace". The objects are to foster and promote in Canada the voluntary standardization of weights and measures, quality and performance of goods and industrial and commercial methods and practices not expressly provided for by law. I am not trying to invade the domain of the Minister of Consumer and Corporate Affairs (Mr. Basford). We are creating here a voluntary organization dealing with voluntary standards, voluntarily arrived at and voluntarily implemented.

Mr. Peters: Why is this bill being introduced?

Mr. Pepin: Mr. Speaker, the intention of the bill will be to advance the national economy, benefit the health, safety and welfare of the public, assist and protect consumers, facilitate domestic and international trade, and further international co-operation in the field of standards.

Mr. Peters: But what does it all mean?

[Mr. Pepin.]

Mr. Pepin: Some reaction is coming from the NDP side of the House: the voluntary approach is not considered strong enough. I must, therefore, repeat that standardization can be achieved by two different methods, one that is voluntary, and the other that is mandatory. These are two different means to the same objective; they do not contradict each other, they complement each other. There is no reason to believe that the voluntary way is not productive; neither are there reasons to believe that the mandatory way is always unnecessary. It sometimes is necessary. We are talking about two different ways of doing a good thing.

To reach its objective, the council will foster and promote co-operation between all interested parties, manufacturers, commercial interests, service industries, government, and consumers. As I said, the council will speak to and for the whole population of Canada.

The council, I repeat, will be concerned with voluntary standards only. I have already said on two occasions that the standards developed on a voluntary basis might later be adopted by governments and become mandatory. That will be a decision for the different levels of government to take. The council will have no power to enforce standards. As I said, the standards referred to in this bill are to be voluntarily arrived at, voluntarily adopted—

An hon. Member: Why repeat?

Mr. Pepin: I am repeating because I am expecting to face some lack of understanding on these points, and I should like to prevent it.

Mr. Peters: We will vote against the bill, anyway.

Mr. Pepin: If hon. members on the other side of the House want to oppose the bill, they ought to know what they are opposing. That is why I am repeating some of my remarks.

An hon. Member: I suppose we are all stupid.

Mr. Pepin: The standards council will make maximum use of existing capacities and Canadian organizations concerned with standardization. The demands placed upon existing organizations for developing new standards are expected to increase. The increase will come about partly as a result of the creation of the national council, because of the great deal of interest it will generate.

The bill specifically provides in clause 4(1) that the council is to "foster and promote" standardization—not to write standards—and to promote co-operation between all existing agencies, whether private or governmental. The latter provision is to be found in clauses 4(2) (a) and (b).

In meeting new standardization needs, the council is directed to obtain the co-operation of existing organizations accredited to it. That is to be found in clause 4(2) (f) (i). It is not intended that the council will write standards itself. Its role would be to encourage the identification of needs.

Mr. Speaker, perhaps I ought to add it will please my tough friends of the NDP, that in the event that existing organizations prove unwilling or unable, for whatever reason, to meet an identified standardization need in Canada, the council has the power to promote the establishment of a new organization to see that the need is met. However eager we may be to use available and existing agencies, I do not think it would be acceptable to ask that the council be completely in the hands of existing agencies. That is why, if the council identifies a need for a standard in a certain area of endeavour, whether it be in processing, manufacturing or any other, the council can say, "We want to establish that standard." If existing organizations do not move to introduce the new standards, then it will be the job of this organization, to create a body that will do so.

I have received many letters expressing the fear that we would not respect existing organizations. We will. There is no intention of having the standards council duplicate the work of existing organizations. That would be pointless. In their own fields, existing organizations are performing very useful functions. But if a new need develops, if existing organizations cannot meet the need, then clause 4(2)(f)(i) will ensure that the council can take action that is clearly in the public interest.

Existing organizations will maintain their own freedom to determine their own priorities and policies. Contrary to the statements that have appeared in some newspapers, the establishment of the standards council does not imply a takeover of present independent agencies. The procedures for standards formulation in Canada remain unchanged under the proposed act. Existing procedures employed by major standards-writing agencies such as the CSA and CGSB have performed well. Recent indications suggest an increased desire by such agencies to secure maximum participation in standards writing by interested parties.

The establishment of the council will extend the principle of consultation and participation to the level of policy formulation at the full national level, so that interested parties may have a chance to be heard not only in standards writing but in planning the whole direction of standardization activities in Canada in the future. I hesitate to use the word "Parliament" in this connection, but perhaps I ought to do so. This will be the Parliament of standards in Canada. Its members might not be elected but will be sent there by their respective associations.

Bringing standardization in Canada under the umbrella of the proposed council is expected to have particular advantages in the realm of international trade. I, as minister responsible for external trade, would like to see the council fully involved in that. The new council, by providing a forum where an overview of Canada's standardization activities can be arrived at, will ensure that competing interests are reconciled and that a balanced posture reflecting all these interests can be taken by our Canadian representatives at those different international organizations I have already mentioned. They will speak with one voice, to use a phrase the Prime Minister used today when talking of another matter. They will speak with a reconciled voice in international matters. The council will also be asked to take responsibility for the development and co-ordination of the planning and preparation for conversion of Canadian industry to the metric system of measurement, including metric standards.

What about the organization and financing of the council, Mr. Speaker? As I have said, a national standards organization must be sufficiently broadly based to take full account of all sectors of interest and all standardization activities in the country. The standards council would satisfy this requirement. Members of the council, all 57 of them, would be drawn from primary and secondary industry, distributive and service industry, consumer associations, trade associations, labour unions, professional associations and from federal, provincial and municipal governments.

• (3:40 p.m.)

In this connection, I should stress that the standards council of Canada will be independent of the government—I emphasize the word "government"—in its policies,

financing and operations. Policy will be determined by the council alone. To avoid the need to rely on special interests for financial assistance the council will, however, be entirely financed by parliamentary appropriation, as per clause 17 of the bill, and will be accountable only to Parliament. Obviously, there is a difference between the "government" and "Parliament" in these matters.

The possibility of the council financing part of its own expenses by membership fees and industry contributions was considered. However, in attempting to do so the council would have competed with private standards-writing organizations which rely on these very sources to finance their own activities. Again, it was decided not to weaken these organizations. That is one of the reasons there will be parliamentary appropriation.

Quite normally, the council will be expected to report annually to Parliament. Usually, the minister rises and says he wishes to table the annual report of such-and-such an organization; the minister certainly does not write the report. He may not even look at it before it is tabled. He acknowledges receipt of the document and gives it to the Parliament.

The accounts of the council will be subject to audit by the Auditor General as provided for in sections 19 and 20. If the council should fail to perform adequately, the option of discontinuing financial assistance always remains as a last resort, but it is for Parliament to decide.

Some people might ask, in fact some have already asked, why is government action necessary? I hope I have suggested some reasons by now. The government, in any broad field such as standardization which reaches far into the lives of many people, has a responsibility, not to control the field but to ensure that the public interest is protected. What the standards council provides is a forum where all interested parties can participate. Thus, the public interest can be identified through debate, discussion and consensus.

The government could have turned over its funds to an existing institution and said, "You do the job". However, it was believed that no agency existed which was national enough in scope and representative of enough interested parties, not only at the standards writing level but also and, mainly, at the policy-making level. No such organization exists at the present time. This is why we are, hopefully, creating one now.

[Mr. Pepin.]

In the areas of standardization where good work is already being done, it is proposed that maximum use be made by the council of existing organizations. In areas where there is a need for new activity and initiative, a broad, objective forum is provided, independent in its policy formation and execution, able to identify and resolve problems as Canadian industry further develops and trade further expands.

It has been suggested, Mr. Speaker, that we might continue to look for "the best possible structure". That might be an interesting academic exercise, but the problems which are posing themselves in the field of standardization are serious and need full attention now. "The best possible structure" has been studied carefully for four years. The government consulted provincial governments, associations and organizations across the country. I suggest that the House approve the concept of this bill today. I will be pleased, with the support of my learned officials, to answer any detailed questions in committee.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I am going to take a few minutes to ramble on and react to some of the statements made by the minister. I am reacting because I was not aware of the points that would be made by the minister. I hope there is a possibility that some of the observations we on this side of the House make will be taken into consideration by the minister and his department and perhaps some modifications will be made to the present proposals.

After listening to the friendly and genial minister, it is difficult to immediately start criticizing because he spent his time smiling and encouraging fellowship. I wondered whether he was trying to convince the House of the importance of the particular bill before us or just himself. Perhaps he was trying to convince the Minister of Consumer and Corporate Affairs (Mr. Basford), who listened very intently to his remarks. Possibly, there has been some discussion behind the curtains and sound and solid argument between the two departments on the actual intent of the legislation.

The minister went into great detail about the tremendous amount of consultation which has taken place during the past four years. In a very general way, he indicated the basic aims and philosophy of the standards council of Canada and emphasized the necessity for its establishment. It is difficult to quarrel with the fact that consultation is necessary. It is

even more difficult to quarrel with some of the basic aims of the legislation. The minister indicated that the provinces agree there is a need in Canada for a standards council in order to co-ordinate and support the standards which exist, not only in Canada but internationally. It is difficult to quarrel with the fact that over the years governments, private industry, consumers and the Canadian Standards Association have all been involved. All have made their points of view known and the government has acted accordingly.

I do not honestly think that the minister has told the whole truth. Perhaps I won't tell the whole truth. My aim is to look at some of the aspects which the minister very carefully, and perhaps deliberately, avoided. It struck me as being more funny than rational that the minister indicated the council would be totally and completely independent of government. All throughout his remarks he emphasized that this would be a totally independent agency, yet clause 3 of the bill reads:

> A corporation is hereby established to be known as the Standards Council of Canada consisting of
> (a) six members who are employed in the public service of Canada,
> (b) ten members, one member to be nominated by the Lieutenant Governor in Council of each of the ten provinces, and
> (c) not more than forty-one other members, to be appointed by the Governor in Council as provided in section 6.

Right off the bat I smell a rat. I will not comment on that aspect, any further. Perhaps it is not important. I point out to hon. members that we can take exception to the minister's point of view in that regard.

I wish to make some observations on this bill. First, there is the involvement of the CSA, the provinces, industry, consumer groups, etc., the great amount of consultation which is taking place and the consent of these groups to this legislation. This is what the minister said. Second, I want to deal with the powers given to the council under section 4 and to take issue with the minister's statement that the basic aim of the legislation is to foster and promote co-ordination between existing organizations, not to replace them. Third, I want to get involved in the economics and to raise the question of the capability of the council, when it is established, as far as its technical and administrative aspects are concerned. These are the points with which I wish to deal.

In the area of consultation, the minister said he consulted with the provinces. He indicated that there was some discussion as far back as 1967.

Mr. Pepin: 1966.

Mr. Lundrigan: 1966; the minister indicated a steering committee was set up, the CSA was consulted and the recommendation of the steering committee was that there be a federal-provincial conference to study this whole matter. I believe this was consummated in January of 1968. As a result of that conference there was almost unanimous agreement. The minister almost gave the impression that these groups were all holding their breath waiting for the government to introduce this piece of legislation.

• (3:50 p.m.)

I believe there has been a misunderstanding between the governments of the provinces, the existing organizations, various other groups of interested people and the federal government. I suppose we all agree with the concept underlying the establishment of a council, a council which would play a supporting role in co-operation with existing organizations, as is the case in many countries of the western world. There is, indeed, a need for co-ordination of effort in this field, a need for the promotion of the work internationally. It might be a good thing. It might cause an overflow effect which would benefit industry and international trade. I have the impression that the provinces believed this was the purpose of the legislation. I have the impression the Canadian Standards Association believed this was the purpose of the measure. If, when the discussions were going on, I had been asked my own opinion as a Member of Parliament, I would have said I was in favour of the kind of thing the government was proposing to the provinces and the organizations.

When we look at the legislation, however, we realize that the government evidently does not intend to play a supporting role. The intention is, basically, to create the power to usurp the entire role of any others engaged in this field. From representations I have received, I am aware that a number of provinces are having second thoughts after seeing the bill. I should like the minister to tell us how many provinces have made representations to him since the bill was placed before the House for first reading on December 1, seriously questioning the powers provided for in the bill. The provinces feel it is a far cry from the objects and aims set out when this measure was in contemplation, and the provisions which are in fact contained in Bill C-163.

I do not know precisely what is the attitude taken by the Canadian Standards Association, but I bet the Association feels this legislation has gone far beyond what was necessary. I bet the Association feels that the federal government is sticking its bureaucratic nose much further into the affairs of private enterprise than was anticipated. The minister definitely left the impression with the provinces, the Canadian Standards Association and the other associations involved in standardization across Canada that the government's role would be to foster and promote, rather than provide for a take-over. Hon. members will find, I am sure, that there is a great divergence between the attitude taken by the minister today, as expressed in the bill before us now, and the attitude of the people to whom I have referred. I am confident the minister himself really wants to believe that the intention of the government is, in fact, to foster and promote, not to replace. I am sure he did not intend to mislead the House.

Nevertheless, I want to read clause 4 of the bill, subclauses (1) and (2), so that hon. members may see what powers are contained therein. They will find the government has power to completely replace the Canadian Standards Association, power to do everything and play a major role. And instead of the business being done for four or five million dollars, perhaps, with another couple of million from the government, we will find the Canadian public paying as much as $20 million. We are told that one of the basic objectives of the bill is to foster and promote in Canada the voluntary standardization of weights and measures, quality and performance of goods and industrial and commercial practices. The CSA has authority given to it under letters patent going back to 1914 and renewed in 1944. For half a century or more, the Canadian Standards Association has been the association recognized internationally as being in the forefront of this work. The CSA has the authority to provide, originate and furnish Canadian standards of any nature whatsoever which are in the interest of producers and users.

Another power, which goes back to the SCC, the Standards Council of Canada, is to promote co-operation among organizations concerned with voluntary standardization in Canada, to co-ordinate standardization activities and to develop common standards and goals. The CSA has the auhority to provide systematic means by which organizations interested in standardization work may co-operate in establishing and promoting Canadian standards to the need that duplication of work and the promulgation of conflicting standards might be avoided. According to the powers given it here, the SCC will be able to represent Canada as the Canadian member of the international organization for standardization, as the Canadian member of the IOS, the international organization for standardization.

Mr. Perrault: You mean, ISO.

Mr. Lundrigan: All right. It is written here. I wonder whether we could have the co-operation of the hon. member for Burnaby-Seymour (Mr. Perrault) Mr. Speaker. He is getting a little hot under the collar. I hope that when he does get a chance to speak and convey his coached information to the House he will do so. I am looking forward to hearing the coached hon. member make his views known.

Mr. Perrault: I am listening to every word. Get on with it.

Mr. Lundrigan: The minister's council will have the right and the power to collect, translate and distribute information on standards and standardization activities in and outside Canada. The Canadian Standards Association has the right to serve as a clearing house for information on standardization work in Canada and foreign countries.

The bill obviously gives the government total power in this field, if it wishes to use that power, to usurp a function presently being carried on by an existing organization. Again, the proposed council is to have power to promote the use of standards approved by the council. The CSA is already promoting the knowledge of and the use of approved Canadian standards both in Canada and in foreign countries. The proposed council is to have the power to establish and register under the Trademarks Act its own standards marks, and, subject to that act, to authorize and regulate their use. The CSA has the right to register in the name of the association and to hold, own, use and operate any and all trade marks, trade names and other distinctive marks. I place these facts on record in order to show the extent of the powers for which provision is made in this legislation; they are, indeed, sufficient to enable the existing associations to be replaced.

• (4:00 p.m.)

The minister will, no doubt, say: It is difficult to write anything which is to become

law without building in certain powers; however, we do not intend to use these powers; we just want to have them. Let me return to a point upon which I touched briefly a few minutes ago. One of the sound, basic arguments in favour of establishing any sort of council is that in doing so we might improve Canada's reputation as a member of international standards committees. An international standards organization is now in existence, and numerous committees have been established to deal with the setting of standards for various products, consumer goods, electrical goods, mechanical devices, and so on. All of these are represented at the moment by the Canada Standards Association. As a matter of fact, Canada is on no fewer than 80 committees of the ISO, I understand. I think that the hon. member for Burnaby-Seymour corrected me on that.

On the other hand, I think Canada sits on 22 other committees of an international nature. I am sure the government, the council and the provinces would be quite eager to agree that our role at the international level is not aggressive enough; that perhaps we are not as well represented or as aggressive as we should be. One of the limiting factors, as the minister has pointed out, may be that the CSA and other existing organizations in Canada do not have the resources to become involved, to be as aggressive as we would wish and to take the kind of initiatives that we would like them to take. I should like to ask the minister why it is that consideration is not being given to doing what other countries in the western world do, namely to assisting the existing organizations, at least for the time being until we get a clear description of exactly how far we want to involve ourselves in standardization.

I should like to know why we cannot assist existing organizations. This question has been raised before and has undoubtedly been given some consideration, but I should like the government to reconsider that point. Why is it that in this respect Canada is so different from other western nations like the United States, Britain, France and West Germany? If the minister would take the time to consult his learned officials—he must have done so already because I can see evidence of it all through his speech—he would ascertain that much of the legislation in other countries in this regard is supporting legislation. The role of this legislation is that which the minister says is also the role this bill will perform. Other countries, such as the United States, Britain, France and West Germany, have standards associations. I forget the actual designation of the American institute, but it does play a supporting role, one of promoting and fostering. Certainly, it does not play a role of usurpation; that is not its function. As I say, other countries in the world have similar institutes.

This is the reason I ask why we cannot now assist our existing organizations in order to enable them, as they are attempting to do within their limited budgets, to refine their procedures and change their structures? The minister knows that during the last year the Canada Standards Association really went overboard in trying to redirect its energies and restructure itself in order to meet an ever-growing need and fulfil the function it is designed to perform. Why cannot the government try and give a little more assistance, even on some sort of trial and error basis, to help promote the CSA and other organizations internationally, instead of granting us power to stick our parochial noses into private enterprise and possibly bring about some sort of restriction under this legislation. When the minister gets an opportunity to think about this, let him give us some formal reaction to the proposal, instead of pursuing his present course.

There is another point I want to raise, one that bothers me as a Canadian and as a member of the House of Commons representing other Canadians. We are living in a period, as every dedicated member of the House knows, of great stress and strain for the average Canadian citizen as a result of the government's fiscal and monetary policies of restraint and restriction. We are all aware of some of the moves that have been made by the government. The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) today asked the minister of health why $50,000 is being taken away from the Canadian Legion sports program. I visited the province of Prince Edward Island last evening and I found the people there very concerned at the lack of federal activity and federal assistance in promoting growth in various regions of Canada. We all know that Prince Edward Island did not get its causeway, even though the government spent $20 million on it.

Last week I was at a committee meeting at which one member made a very interesting point in connection with a grant given to promote fish markets during the Lunenburg fishing fair, which has been held now for almost 100 years. This year they lost $3,000 as a result of a cutback in the grant. We have

witnessed other cutbacks in post offices across the nation. The Minister of Communications (Mr. Kierans) is actually closing out 2,000 post offices in Canada so as to save $2 million.

I could go on for a week, Mr. Speaker, telling the House about some of the moves the government has made to cut back spending. I have received representations from Canadians who have worked for government departments for 25, 30 years and now are laid off as a result of government cutbacks. We find the government cutting back its spending in all departments. Its attitude seems to be that the economy cannot stand any more government expenditure, that the government has to curtail inflation.

Then, all of a sudden, this year—not next year or in a couple of years' time when the money situation has hopefully eased—we find the government saying that it is now going to involve itself in something that has already been done by private enterprise, though granted perhaps not to the extent that is required. I am not talking about government involvement in the Canada Development Corporation; I am not talking that kind of language. Neither am I talking about promoting across the nation the idea of upgrading people through new start programs. Nor am I talking about trying to improve relations with Britain, the United States and other countries which have been strained to the point where we are now getting anti-Canadian reaction. I am talking about becoming involved in standardization. I should like to inform the House that one association in Canada today is spending $4.5 million on employing expert technical and administrative assistance, and other expenses of this nature, to try and promote standardization. In Rexdale, Ontario, I believe it is, something like 300 people are employed by the Canada Standards Association.

In addition to that, we have across the nation—if I am wrong the minister or the hon. member for Burnaby-Seymour will correct me—about 3,000 people who voluntarily are assisting in projects similar to the schemes now being devised by the government. These 3,000 people sit on God knows how many hundred committees. These people are taken from the consumer section, from government—many are officials from government departments—from industry, from the universities, from the professions, engineers, industrial experts and so on. All of them are volunteers.

I should like to ask whether these people are going to volunteer their services to the Minister of Industry, Trade and Commerce. If the government throws in the Minister of Consumer and Corporate Affairs (Mr. Basford) as well, then that might make it attractive enough for the volunteers to stay. But I predict that if, as appears to be the case, the government takes over the work of existing organizations—

Mr. Pepin: No.

Mr. Lundrigan: The minister says no, but the government will have the power to do so; and if it does do so it may be that the government will do the sort of work that has been done by the expenditure of the $4.5 million to which I referred. This work has not been totally effective, because I think $6 million would be required to make it completely effective, but doubtless the government will spend $20 million instead of $4.5 million; that seems to be what will happen.

For the life of me, I cannot see how the interests of consumers will be enhanced or protected by this legislation. I suggest that the basic consideration in examining the legislation is the interest of the consumer. Is there going to be a greater effort made to standardize products so as to provide more safety, better quality and more economy in purchasing for the consumer? I suggest that if the government becomes involved in this sort of thing, the price of ordinary, commonly-used goods will take quite a leap. Having seen the government's efficiency during my brief experience as a Member of Parliament, I cannot see what the effect of this bill will be except that the consumer is going to pay a lot more because the government is now going to spend a good many millions of dollars to do something which is now being done effectively by the existing establishment.

• (4:10 p.m.)

The minister talks about this council being completely independent of government. I am interested in that and I just want to raise this point for the consideration of the members who are going to speak later. Clause 6(1) of the bill indicates that:

> Each member of the council who is employed in the public service of Canada shall be appointed to hold office during pleasure.

Is that the pleasure of the hon. member for Gander-Twillingate, or is it the pleasure of

the minister? I already know the answer to that one. In any event, it reads:

Each of the other members of the Council shall be appointed to hold office during pleasure for such term, not exceeding three years, as will ensure—

It goes on in this vein. I can see a lot of my friends who perhaps got badly hurt during the last federal election finding their way into the standards council of Canada.

I want to raise one other question, Mr. Speaker.

Mr. Perrault: Tell them to make application.

Mr. Lundrigan: "Tell them to make application", the hon. member for Burnaby-Seymour (Mr. Perrault) says. I have some friends. The former member for Bonavista-Trinity-Conception has been looking for years for a position. If you want, I will now make formal application on his behalf right now. Nevertheless, I will get along to another point.

An hon. Member: What is his name?

Mr. Lundrigan: I forget his name; Tucker or something. In any event, getting down to Clause 14 of the bill, there is an indication that the people who will be employed by the SCC, or the standards council of Canada will be—I can read it.

The council may
(a) appoint such other officers and employees as are necessary for the proper conduct of the work of the Council—

What kind of people are to be employed? The minister never reflected on this at all. What kind of people are going to be employed by the standards council of Canada. Is it going to employ technical people? I have had people indicate to me the government has already put out feelers to some of these people who are working in various capacities with other agencies and organizations.

The government has been putting out feelers saying: We are going to have openings, you know, so keep your options open. I ask the minister, is the government going to employ people who are now in the technical end of standards-writing for the Canadian nation?

Mr. Pepin: I have said four times that the council was not going to be writing standards.

Mr. Lundrigan: Mr. Speaker, the minister is indicating that the council is not going to be writing standards. What kind of people are going to be employed? I see no definition. I would like the minister to prepare some kind of brief for the consideration of the House. This bill will be before the committee before too long, we hope. Actually we do not hope that, we hope this bill will get before the committee some time in the distant future. Why does the minister not give us information in respect of two or three things? Let him give us information, first of all, on what kind of people he is going to employ. How many people is the council going to employ? What is going to be the cost to the Canadian taxpayer of this new found employment? Perhaps I should not be too critical. This is the best hope for employment I have seen for a long, long while.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Waterloo wants to ask a question.

Mr. Saltsman: Would the hon. member permit a question?

Mr. Lundrigan: Yes, certainly.

Mr. Saltsman: This question of cost is of concern to all of us. I should like to ask the hon. member whether it is not a cost to the public if industry employs the present members of the council? After all, that cost is deductible for tax purposes. If it is deductible for tax purposes it is reflected in a cost to the taxpayers, surely.

Mr. Lundrigan: Mr. Speaker, the other day the Minister of Industry, Trade and Commerce referred to the schizophrenic, socialistic tendencies of hon. members to my left. After that question, I am beginning to realize that there is something to that observation.

Mr. Saltsman: I rise on a point of order. I am always interested in the remarks made by the hon. gentleman—

The Acting Speaker (Mr. Béchard): Order. I do not think the hon. gentleman is in his seat.

Some hon. Members: Oh, oh.

Mr. Lundrigan: That is an indication of the confusion that exists in the mind of the hon. member. I was asking the minister, before I was interrupted by the hon. member who will undoubtedly want to rise in his place and make some observations later, to indicate the nature and kind of people who will be employed by the council. There is no indication here as to how much money this is going to cost the Candian taxpayers over a period

of time. I should like the minister to give us an indication of this. He should prepare a lengthy proposal or document. Perhaps he should take this bill back for a few months and prepare that sort of thing in order to convince other people in Canada of the need for this organization.

I have the impression, as a result of the mail reaching my desk, which is not as extensive as the mail reaching the desk of the minister, that the people do not know what this is all about. I should like to ask the minister to give us an indication of the depth of the studies that have been made with regard to the implications of this kind of move.

The minister talks about consultation and his proposals to the standards associations. There are a lot of people who sit back in their offices with a pen—those great experts who draft legislation—who somehow or other do not have the required knowledge at their fingertips. They do not understand all of the implications of these things. Frequently, legislation which reaches the House does not seem to reflect the total situation. As a matter of fact, it is almost impossible for it to reflect the total situation.

I am sure the provinces would be very interested in having this information. I should like to ask the minister to indicate what types of studies have been made and what type of promotional role has been played in the international sphere. What type of technical assistance, in addition to what we have, does the government intend to give to assist existing organizations? What is the long term role of existing organizations and associations, and what is their future? Can they start planning to continue their role with enthusiasm and vigour? These are the kinds of questions we would like the minister to answer.

I am sure my colleagues, and all hon. members of the House, feel that the government has not given this matter enough consideration. I suggest, therefore, there is a great deal of concern in the minds of those who have taken the time to read this bill as to the cost of this measure to the taxpayers of Canada and the relative benefits to be derived. Again, on the basis of the reaction of the provinces and the lack of information regarding the studies which have been made, which are not as extensive as they might have been, we wonder about the underlying philosophy and attitude the government has taken toward this measure. We accept this bill as the beginning of a journey toward the establishment of some kind of council which might be modified to suit the needs and interests of Canada. With this in mind I should like to move, seconded by the hon. member for Battle River (Mr. Downey):

[Mr. Lundrigan.]

That the word "now" be deleted and the words "this day six months hence" be added.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have changed my mind about this bill several times this afternoon. I read it and thought I agreed with it. I have been informed by many of my constituents that there are many desirable aspects to the establishment of standards in many fields. I was surprised to hear the minister suggest he was going to keep repeating the words "foster" and "promote" and "voluntary action" because he felt we did not understand them. As a consumer, I do not want voluntary action. I want a standard I can trust. I should think such a standard should be adopted in respect of various things. This information should be attached to the items I buy. I do not want voluntary action. I do not have much faith or trust, and I do not want to foster or promote this lack of trust in respect of guarantees.

After reading this bill, I felt there was an indication it would mean something. It is very interesting to note that this organization will eventually supersede the Canadian Standards Association. In a letter which that Association circulated to all Members of Parliament—several of my colleagues received it so I assume it was received by all members—they said that if the bill is enacted, it appears that a federal government corporation will be given the power to supersede the Canadian Standards Association as the national agency for voluntary standardization in Canada. This letter is dated March 10 and the bill is dated December 1. Several newspaper items on the subject are dated early in January, so the conclusion of The Canadian Standards Association is that they will be superseded.

• (4:20 p.m.)

I should like to know from the minister whether or not what this organization says is true, because if it is true then I am very much in favour of the bill. However, if it is not true, then I would be prepared to support a six months hoist. So, I hope the minister will decide whether or not the conclusion of the Association is valid because there is a need for such an organization in Canada. I was interested to note that the Minister of Consumer and Corporate Affairs (Mr. Basford) is aware of the fact that he has oodles

of trouble, a lot of which stems from the fact that we do not have proper standards in Canada and that the agencies that have been attaching a tag to the products are not better than the people who produce them.

I am also interested in another aspect of the matter. The minister said he is going to support the association, and he commented on the wonderful work it did. In their letter, the association says that it is privately financed, and that it has an annual budget of about four and a half million dollars to which the federal government contributes only about 1 per cent. These people have been able to raise for themselves four and a half million dollars for doing what? Certainly, not for protecting the public. The 1 per cent which the government put into the organization could have been 50 per cent if they thought that organization would protect the consumers. The minister must think about the Canadian Standards Association because that association, from whom I received the letter dated March 10, either does not believe the minister that the organization proposed under the legislation will not supersede them, or else is pretty stupid. No wonder it does not make better decisions on some of the safety regulations, because if it read the minister's bill as badly as I did then neither of us should set standards for electrical appliances.

A number of articles were written by Maurice Western, a special correspondent for the *Journal* who had some things to say about this matter. His opinion is that, of course, the minister's bill is only the thin end of the wedge. Judging from his argument it seems to me he believes it is a voluntary foot in the door is not opened, then the minister will have some leverage. He gives some reasons as to why this bill is necessary. One of the reasons is to allow the minister to exercise some control. In one of the articles appearing in the *Journal* Western said:

> But standards can also be a cloak for extortion. They can be used to impose higher prices on Canadian consumers by keeping off the market goods which have proved safe and serviceable in other countries.

He goes on to give an example:

> In Ontario, for example, firms have been prosecuted by provincial authorities because they offered for sale such items as Japanese radios and radiophonographs which did not carry the approval stamp of a private organization, the Canadian Standards Association.
>
> Until now, Parliament has shown no interest in this anti-consumer aspect of standards regimes. Furthermore, although Mr. Pepin's bill contains a few pious expressions about "facilitating domestic and international trade" and "furthering international co-operation in the field of standards", there is nothing in it which promises an effective attack on the problem.
>
> If there are to be standards policed by the provinces, which may indeed be necessary in many cases, they ought not to be set by representatives of private organizations with a market interest. In principle, therefore, an official standards council is a good thing. The one proposed will consist of six civil servants, 10 members nominated by the provinces and not more than 41 other members chosen by the federal government on some basis not spelled out in the bill.
>
> The general idea of the legislation is that the new council will work through existing organizations. It may "accredit, in accordance with criteria and procedures established by the council, organizations engaged in standards formulation, testing and certification in those fields—

Western goes on to say:

> Since it will not have its own laboratories, how will it avoid becoming captive to these bodies, including presumably the Canadian Standards Association and Canadian Gas Association? In the past, such groups, although non-government associations, have managed to endow themselves with a semi-official aura. Now they are to be accredited, which will put the matter beyond doubt.

The article goes on to describe the effect this will have on imports and exports and how United States products have been unable to come into Canada because total and often useless changes would be involved. Mention is made in the article of one case, of which I have known for some time, of an electric stove that was brought to Canada. Most of us do not consider the Americans to be backward in their industrial products, yet the wiring in that stove has to be removed and a different type of wiring installed, boosting the price, I would imagine by 10 per cent. What does it do to the cost once a stamp of approval is put on the stove? It boosts the cost of that stove by 100 per cent so the stove, which would be considered acceptable in the United States and which sells for $100 there, will probably cost $200 or $225 in Canada. In addition, there is the bother of having to re-wire it to obtain a stamp of approval, which obviously the Americans do not think was necessary so why should we?

The minister is also aware that often we have not been able to sell in other countries products manufactured in Canada because we have not been able to meet their standards. It has been very interesting, in travelling around parts of the world on a number of occasions, to find that in other countries electrical appliances are uniform in their application. We do not have this uniformity. An electric shaver in Europe operates on current of different voltage. In Canada, electric shavers do not even operate on household current

but have to have a special transformer attached to them because they cannot take normal power fluctuation.

It seems to me that we are not all that smart in this respect, and the minister who is responsible for trade must realize that the area of his responsibility is much larger than just to protect an association. Let me tell the House that this is a very powerful association if it can raise privately four and a half million dollars a year. This indicates that they must be very effective with the people to whom they talk, but since they could only receive 1 per cent from the government, they are not very effective with the government. This shows a great degree of self-interest and a smaller concern for the consumers, for trade interests or even for safety interests in many cases.

The association sets out in its letter how much money they raised and how much the government was providing. They consider it in a different light than I do. I do not think it is unfair to say that some self-interest must be served in this field. As a matter of fact, I imagine there is a total monopolistic interest in this field. Certainly, this is the case with gas underwriters. I have seen many appliances bearing the laboratory underwriters's stamp, and I would think this is a good standard. I have seen Good Housekeeping's Seal of Approval on many appliances also. If I saw that on an electric iron I would think it was worth buying, not because of standards set by any government agency but because use of the Good Housekeeping Seal has been restricted, and any article which bears it is usually satisfactory. That has been my experience.

• (4:30 p.m.)

Another seal of approval is that of the Canada Standards Association, but this only means that it is legal for me to use the article bearing it. I have bought equipment with that seal, and without it. I have not considered that seal as any great stamp of approval, except that it is the legal stamp of approval needed in the province of Ontario, and thus is absolutely necessary in that province.

As the minister said, he is backed by a large number of people in his department who are very competent in their various fields. I suggest that their's is a fairly new competence. I am impressed with the interest which Canada is showing in developing trade, mainly through co-operation between international agencies. It is no longer a question of,

[Mr. Peters.]

"We have it; if you want to come and buy it, do so. If you have it and if you want to send somebody to us to demonstrate it, then maybe we will buy it." Now, there is co-operation. Trade seems to be on a fairly formal basis, and not only the present minister but several previous occupants of that post have made fairly good showings, both throughout the country and in this House. The reason for that is the expertise which is behind them.

Experts have pointed out that a number of changes must take place in Canada if we are to expand our trade. One of the changes I wish to talk about is the adoption of the metric system. I have introduced a bill dealing with this subject on a number of different occasions. Now, on looking over it again, I do not know where I stole it originally, or where it came from, because certainly it is pretty complicated. I do not think I knew that much about the subject. I really do not know how I developed such a comprehensive bill, but I would ask the minister to have a look at Bill C-42, and it might explain some of the support that I have been receiving on this subject.

Some of this support comes from people in the educational field. The annual general meeting of the Canadian Teacher's Federation in 1962 passed a resolution which read:

> Whereas countries containing 78 per cent of the world's population either are using the metric system of measurements or are in the process of adopting it; and
>
> Whereas 57 per cent of world trade is carried on in metric units; and
>
> Whereas the metric system is much simpler and more systematic than the English system; and
>
> Whereas the metric system is already being used in Canada to some degree;
>
> Be it resolved that the Manitoba Teachers' Society adopt a policy of favouring a complete change in Canada to the metric system of measurements; and
>
> Be it further resolved that the Manitoba Teachers' Society recommend to the Canadian Teachers' Federation that it, too, adopt a policy of favouring a complete change to the metric system.

A report on the metric system by Dr. J. T. Henderson of Ottawa was presented to the Canadian Conference on Education in January, 1962, in which he stated his firm belief that the change to the metric system would cut a whole year from the present 12 year elementary and secondary education course and thus enable young people to become members of the labour force one year earlier. That is an interesting conclusion.

Most of the world is interested in doing business according to the metric standard.

The metric system is simple, involving multiplication and division by tens. It is easy to train young people in its use. In fact, at present many Canadian industries use it, but for domestic purposes have a conversion system to the English measurement system. All measurement in the pharmaceutical industry is done according to the metric system. Hospitals, doctors and scientists operate according to the metric system, and I am glad that the government is now making a detailed study of the subject.

A change to the metric system need not be made overnight. It is not like the recent experience in Sweden, where a change was made from driving on the left hand side of the road to driving on the right hand side of the road. That change had to be implemented overnight, but the adoption of the metric system could be spread over a much longer period of time.

I have been informed that the Canadian construction industry has done a study on the metric system and is prepared to adopt it. That industry needs only a little encouragement from the minister to do so. I believe there are many other industries that would be interested in gradually adopting the metric system, and thus better serve world markets.

It is inevitable that we will adopt the metric system, and I commend the minister for having announced, as reported in the Ottawa *Journal* on January 16, that the government believes adoption of the metric system of measurement is ultimately inevitable and desirable. I am quite pleased with the development that is taking place in this field. I suggest that we start with industries that are now willing to adopt the metric system, and encourage others to do so as well. This standards bill is broadly based, and in the last few months we have had three bills of this nature.

• (4:40 p.m.)

The other day we had a bill on the standard of textiles and not long ago we had a bill on the standard of sizing for children's clothes. We have considered a number of these standards, and they seem to be haphazard. I suppose the CSA was administering those as well. Size two clothes would fit a child aged two or one aged six or maybe one in the cradle. We have not established standards and it seems to me we are going to be hard pressed in making trade agreements with other countries unless we do.

A standard has to consider the consumer in my opinion. If we set standards that raise the price of the commodity 30 or 40 per cent artificially then, of course, the establishment of those standards is too expensive. It is more than we can afford and will not serve the purpose. Standards should be properly administered and uniformly developed so that they can be applied in the trade. The housewife should be able to pick up a can and know whether it contains 11 ounces or 14 ounces. It is very interesting to look at the shelves in a grocery store where the cans appear the same size but examination will reveal perhaps an ounce difference in the contents, and the price of one will be a fraction of the other. It would take a mathematician to figure out if one is cheaper than the other.

We will have to establish and enforce standards, and that is why I am opposed to the minister saying that his job is to promote voluntary action. I do not think the Canadian public is interested in the fostering of voluntary standards if that means they will be established a long time from now. The general public is interested in standards being established now so they know what they are buying. We should know exactly what a standard means.

So much depends on the company that is producing food products, for instance. One company will maintain that its soap is 99 or 100 per cent pure. I do not think this claim has ever been challenged. Pure what? Pure soap? Pure lye? Pure fat? Pure what? It is hard to say what it is, but nobody complains. We have so many things that are "select", "first grade", "pure" this or that, that are not pure at all. The reference is to something that is not a commodity in itself but is a combination of commodities. It cannot be pure unless it is free from impurities and "pure" would have to be defined.

This country is demanding very strongly and rapidly a more complete knowledge of products on the market. For example, if you went to Europe and bought a bag of Canadian flour you would know the protein content of the flour and what grade it was. You might even know where it came from because of certain standards that must be marked on it. But if you go downtown in Ottawa and buy a bag of flour it will be marked as "finest grade", "household flour", "cake flour" or some designation that has nothing to do with what is in the bag. You would not know whether it was fifth grade northern or frozen wheat or general purpose flour. You would not know anything about that particular flour

and certainly would not know whether you were getting your money's worth. This is true of almost everything we have.

Another example is light bulbs. The Ontario Hydro has set standards to a point where they can buy bulbs with a 400, 500, or 1,000 hour life or even a lifetime bulb. I cannot do this. When I buy a bulb there is nothing to indicate whether it is going to last 400 hours, but I think I have a right to know how long it will last. I am willing to pay a premium for the knowledge. I am even prepared to pay a premium for the government to set a standard to enable me to tell.

I am disappointed with the minister, particularly because of his glee at being able to say that this is voluntary, and that he is not going to interfere in the CSA or with the gas or electrical underwriters. Apparently he is not going to interfere with any of the agencies that, in my opinion, may have been acting in a manner detrimental to consumer prices and to our ability to participate effectively in international trade. I am sure, and I think the minister is, that this bill will have to be amended before it is in operation very long.

I think the minister indicated what might have been one of the defences of his position, had he been able to say that the provinces will not allow the federal government to enforce standards on a national basis. But the indication in the letters received from the provinces by the former minister was that the federal government should go ahead. If this is so, I think we should be willing to exert ourselves and move into a field that apparently is vacant in relation to many commodities.

I know the public is waiting for this type of legislation, waiting for an expansion of it into all consumer requirements. I hope by the time the bill comes to committee, the minister will be able to convince himself or his colleagues to give consideration to this point. The government should give consideration to bringing all those agencies which set standards under the umbrella of a national agency. The organizations could use it and the government would have a responsibility to the consumer for the goods which were examined and approved.

The CSA is really not of much interest to people in China. It might not be of much interest any place else, but it certainly is not an international agency that countries will respect. I think it is time we got into this field, and I hope it can be done by the time this bill gets through committee.

[Mr. Peters.]

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, when introducing the bill, the minister of Industry, Trade and Commerce (Mr. Pepin) was justified, of course, in saying that the entire Canadian population wishes that, in some fields, we would comply with certain standards.

However, we are wondering whether the government is acting in a normal way with regard to its standards legislation since there is already—as has been pointed out before—a Canadian Standards Association. If the government intends to establish a Standards Council of Canada whose objectives will be exactly the same as those of this association, the Canadian people will have to decide which standards are the best. Therefore, no standardization could be possible.

Are we going to follow the standards set by the Canadian Standards Association or those of the Standards Council of Canada? It seems to me that, right from the start, a detailed study of this matter should have been made. For instance, have the proposed standards been already carefully considered by the existing association?

In a letter sent to us by the association on March 10, and to which reference was made before, we find the following and I quote:

> The yearly budget of the association is about $4.5 million to which the government contributes in a proportion of about 1 per cent.

Mr. Speaker, I am not in favour of a pro rata contribution but of a whole contribution. This means that if we allocate thousands of dollars to that association, it is because we consider it satisfactory, otherwise why should we grant it a subsidy. I wonder, since the association is sending a letter of protest to the members, whether this means that the government possibly did not take care to consult this association before introducing Bill C-163. I think that we have here an example of a lack of standardization of the government itself.

This association is either good or not good. I am inclined to think that it is good since it receives a subsidy from the government. If it wants to take charge of standardization in Canada, why did it not resort to the Canadian Standards Association which already exists in order to avoid ambiguity and useless quarrels?

Mr. Pepin: They changed their mind.

Mr. Matte: I did not hear the minister's remark.

Mr. Pepin: They changed their mind.

Mr. Matte: They changed their mind?

Mr. Pepin: Yes.

Mr. Matte: Then I am glad that there were consultations with this association before the bill was drafted.

• (4:50 p.m.)

The previous speaker's argument, to the effect that a private association can protect some private interests at the expense of general interests is valid to some extent, for such a thing is always possible. So it probably behoves the government to concern itself with such standards, in order that they may really be objective. But one could perhaps seriously wonder if it might not be better to alter the existing organization so as to make it more efficient and more or less a Crown corporation. Maybe it could be done.

When referring to the content of the letter sent out by that Association, one can but conclude that the latter seems well-structured and provides several services. Therefore, we could perhaps change it a little.

As far as this bill is concerned, you may say what you like, but if it is the government's intention to have it passed, we know very well it will pass. Therefore, I will allow myself to point out some aspects that could be improved upon or simply deleted. Referring to the bill, I note for instance that the Council would consist of, and I quote:

(a) six members who are employed in the public service of Canada,

(b) ten members, one member to be nominated by the Lieutenant Governor in Council of each of the ten provinces, and

(c) not more than forty-one other members—

Mr. Speaker, that Council will have not more than 57 members and we are sure of one thing, namely that it will have only one representative per province.

Therefore, the following could happen, that Quebec, for instance, would have only one member out of 57 to represent it within that Canadian Council.

I wonder whether it might not be advisable to add to clause 3(c) which reads as follows:

(c) not more than forty-one other members—

—the words: "chosen on a pro rata basis in the provinces", for standardization will affect all sorts of things, weights and measures, the quality and performance of goods, and industrial and commercial methods and practices.

I am still referring to clause 4(c) which reads as follows:

(c) industrial and commercial methods and practices—

It may happen, Mr. Speaker, that some standards are related somewhat to the ethnic groups. Indeed, it is quite possible that in industrial and commercial fields, some standards might be particularly related to Quebec, because that province is in the majority made up of French Canadians. And so, with regard to the number of members on the council which is to be established, the provinces and especially Quebec should be adequately represented. We would thus avoid the differences and quarrels that are always liable to occur.

The bill does, indeed, say "voluntary". These standards should not, however, compel manufacturers to bring about any changes in products which have now caught the fancy of the public.

As for clause 4(a), we certainly agree it is high time to think of changing our present system of weights and measures—

The Acting Speaker (Mr. Béchard): Order, please. It being 5 o'clock and under the special order passed today about tonight's budget speech, Mr. Matte moved, seconded by Mr. Winch, that the House do now adjourn.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

The Acting Speaker (Mr. Béchard): It being five o'clock the House will proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions (papers), private bills and public bills.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, at the request of the hon. member for Oshawa-Whitby (Mr. Broadbent) we have agreed to stand the first two notices of motions, Nos. 203 and 204. I believe the hon. member sponsoring notice of motion No. 141, the third from the top on the Order Paper, is ready to proceed. Perhaps Your Honour might call that notice of motion.

The Acting Speaker (Mr. Béchard): Is that agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

REGIONAL DEVELOPMENT INCENTIVES ACT

REQUEST FOR CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND GOVERNMENT OF SASKATCHEWAN

Mr. John Burton (Regina East) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the Government of Canada and the Government of Saskatchewan regarding the selection of designed regions under the new Regional Development Incentives Act.

• (5:00 p.m.)

He said: On November 26 last, I placed this notice of motion for papers on the Order Paper in view of my concern about the designated areas program under the Regional Development Incentives Act as it applied to the province of Saskatchewan. Indeed, this concern was shared by many other people in the province of Saskatchewan in view of the state of the Saskatchewan economy, particularly in the past year.

I think it is very useful and timely that we should have an opportunity to discuss the implications of this motion and its import in terms of the current situation. It is also timely and useful to have this discussion in view of the minister's announcement yesterday afternoon. All of us recognize that the programs that are involved are important in fostering and promoting a recovery and improvement in the state of the Saskatchewan economy which has experienced very severe setbacks within the past two to three years in particular. This, of course, marked an interruption of a steady period of growth over the past 25 years or so, from the early forties through to the mid sixties.

Over the past year and a half this growth has shown a very sharp change in direction. There has been a downturn in the state of the Saskatchewan economy. Figures produced by the Dominion Bureau of Statistics for 1968, although not published as yet due to a changed reporting system, show personal income per capita in Saskatchewan for the year 1968, the latest year for which figures are available, is almost $300 per capita below the Canadian average. If one excluded the factor of change in farm inventory, and this change in farm inventory and the net addition to farm inventory was included in these personal income figures, we would see that the income per capita in Saskatchewan for 1968 was almost $400 below the national average.

It can also be noted that both of these figures, with or without the change in farm inventory, are below all other Canadian provinces with the exception of the four Atlantic provinces. Indeed, they are below the figure for the province of Quebec where it has often been noted there is a great need for economic stimulus. When the designated regions were first announced last August, many people in Saskatchewan were profoundly concerned. They could not see any rationale in the designation of the particular areas of Saskatchewan which were included under the terms of the new Regional Development Incentives Act. There is a strip across the south of the province which includes such communities as Estevan, Weyburn and Moose Jaw. I have no objection to the inclusion of these communities and I think a good case could be made for their inclusion. There is also an area in the northeastern part of the province which includes the communities of Melfort, Humboldt, Nipawin, Hudson Bay and a few other towns as well.

I have no objection to the inclusion of these communities in the designated areas program. However, if these communities are to be included then I certainly think an equal or better case can be made for the inclusion of many other communities in Saskatchewan. One of the communities in the northeastern block of Saskatchewan, the town of Humboldt, happens to be my home town. I have a certain amount of loyalty and faith in my old home town, but I can say that the town of Humboldt is as prosperous as many other centres in that province. The point I wish to make is that many people in the province of Saskatchewan felt that if it were possible to include a community such as Humboldt, it should be possible to include many other communities and towns such as Wynyard and Melville. There are many such communities that could be named throughout the province.

The Qu'Appelle Valley is one area which is of interest in the province of Saskatchewan. This valley has new potential for development as a result of the completion of the South Saskatchewan dam and the assurance of a more stable water supply for that part of the province since the water supply has been linked with that of the South Saskatchewan River and the waters impounded by the South

Saskatchewan dam. Many of us were very much disturbed by the boundaries that were established.

I subsequently corresponded with the Minister of Regional Economic Expansion (Mr. Marchand). I asked him in particular to include the major cities of the province. I did so, not because I have anything against the inclusion of the smaller centres in the province—I think a very sound case can be made for the inclusion of them—but if any meaningful growth is to be carried out in the province of Saskatchewan it is absolutely necessary to include the major growth centres in the province within the program.

On this basis, I suggested that Regina and Saskatoon should be included in the program. In fact, I suggested the entire province of Saskatchewan should be established as a designated area in view of the economic conditions in that province. I followed up my exchange of correspondence with the minister by placing questions on the Order Paper when the session of the House commenced on October 23. I received some very evasive answers. When I asked what criteria were used by the Department of Regional Economic Expansion in the selection of designated areas for each province, the answer provided to each question was, weighted measures of representation of economic growth (employment, income and population) and of potential for secondary industry. I suggest that this wording and answer was a clear case of bureaucratic gobbledygook.

I followed this question up with a motion for papers asking for correspondence between the federal government and the governments of the various provinces regarding the consultations that took place prior to the establishment of the designated areas across Canada. I was very much astonished and surprised to learn, in response to my motion, that there was no correspondence with any province except the province of Alberta.

I was supplied with information on the exchange of correspondence between the federal government and the province of Alberta. It was clearly set out in this correspondence just what proposals were made by the federal government and what proposals were made by the province of Alberta. I found that all of the other consultations that were carried on, I might say consultations which are provided for under the legislation, were carried on through what seem to be rather informal discussions. When I attempted to obtain some details of the proposals that were discussed, I was told that the details of such consultations were confidential, except for the information that had been supplied with respect to the province of Alberta.

It is then that I transferred the motion for debate with respect to correspondence between the federal government and the province of Saskatchewan and this is the motion that is now being debated, Mr. Speaker. Further questions were asked regarding the criteria. I tried to obtain more information on what sort of criteria were used in establishing the designated areas across Canada. I obtained a rather vague set of figures dealing with each of the 64 geographic economic regions across Canada.

Subsequently, I privately asked for a map that set out the boundaries of these various regions. The Parliamentary Secretary was kind enough to supply me with such a map. When an analysis was carried out, it was quite clear that on the basis of the information supplied in response to this request there was no meaningful criteria applied in establishing the designated areas across Canada. Indeed, it amounted to little more than an exercise in political manoeuvring which did not take into account the real needs that should have been dealt with under the terms and objectives of the legislation for which the Department of Regional Economic Expansion is responsible.

In discussing the programs of that department over the past year, the government has made a case that this is their major program to decrease and eliminate regional economic disparities in Canada. It is a major weapon in dealing with the government's war on poverty. As a result of some of the information that has been supplied, some very serious questions need to be asked about the adequacy of the programs that are being developed by the government. Indeed, we have very serious questions with respect to the application of those programs in the province of Saskatchewan. I do not need to go into detail concerning the state of the Saskatchewan economy at the present time. Whether we look at income, retail sales or investment, we are confronted with a gloomy picture. There has been a distinct decline in population over the past one and a half years. Between October, 1968 and January 1, 1970, the population declined from 962,000 to 948,000. This is a matter which requires urgent public consideration.

• (5:10 p.m.)

Mr. O'Connell: On a point of order, Mr. Speaker. I feel I should bring to Your Honour's attention the fact that the debate concerns the production of certain papers. The hon. member has, himself, noted that the papers do not exist, and I really wonder whether a debate ought to be permitted on a subject which is outside the scope of the motion.

The Acting Speaker (Mr. Béchard): May I suggest to the hon. member that he attempts to make his remarks as relevant as possible to the debate?

Mr. Burton: I will certainly do that, Mr. Speaker. I was attempting to explain why I was seeking this information—the reasons for the concern which led me to bring this motion before the House and ask for whatever correspondence did exist. We did hear a statement by the Parliamentary Secretary (Mr. O'Connell) and I will be interested in any further explanations he may have to give when he takes part in the debate.

I wish to say this in conclusion. Yesterday we heard an announcement by the Minister of Regional Economic Expansion with respect to the establishment of 22 special areas across Canada. As far as I am concerned, I welcome the inclusion of the cities of Regina and Saskatoon as well as an area of northwestern Saskatchewan within this program. Questions need to be answered as to the scope of the program envisaged in this regard. Will it be restricted to a few areas of emphasis, as suggested in the minister's announcement, or will its application to areas such as the Saskatchewan communities involved be as broad as was foreseen in the over-all program? We ought to keep in mind the need for an over-all program of massive assistance for the Saskatchewan economy, realizing that the economy of Saskatchewan plays an extremely important role within the whole national framework.

At the present time we are confronted by the lift program—the letters standing for "lower inventory for tomorrow"—as announced by the minister in charge of the Wheat Board. This is bound to have a serious impact on the income of Saskatoon people in the coming year. We very much need a program initiated by the Department of Regional Economic Expansion to offset the effects of the other programs which adversely affect the province. In fact, the entire province of Saskatchewan should be established as a designated area. This is only fair when one compares the situation in Saskatchewan with that in Manitoba where the entire southern settled region is included as a designated area under the regional development incentives plan, in addition to some of the northern region which is now included as a special area. I have no objection to these boundaries having been chosen, but in justice I believe similar treatment should be accorded to Saskatchewan.

We need extensive public works programs in the province. We certainly need special help in programs of the department to assist the Indian and Métis people. I was pleased to hear the minister announce yesterday that help would be extended to the Indians and Métis in northwestern Saskatchewan. I was glad to note he has adopted some of the proposals made by the hon. members for Saskatoon-Biggar (Mr. Gleave) and Skeena (Mr. Howard). They recently made a tour of this area and recommended that certain programs be carried out. I might also say, to their credit, that they carried out their tour of inspection in a much more tasteful and sensitive manner than did some others who recently investigated the social and economic problems of the area.

Earlier, when this question was placed before the House, it was suggested that no correspondence along the lines sought for in the motion did, in fact, exist. I am astounded to think that so little consultation took place with respect to the establishment of designated areas in Saskatchewan that there should not be one scrap of correspondence or one document which could be tabled in answer to my request for papers. I would be interested to hear more about this aspect from the Parliamentary Secretary.

Mr. Lorne Nystrom (Yorkton-Melville): I rise to take part in this debate on the production of papers. May I at the outset—

Mr. Stewart (Cochrane): On a point of order, Mr. Speaker. I am surprised that the Parliamentary Secretary should not have been given an opportunity to reply to the observations which were made by the hon. member for Regina East (Mr. Burton). It would appear there are no papers and, in these circumstances, it would seem to me that the Parliamentary Secretary should at least be given the opportunity to say so.

[*Translation*]

The Acting Speaker (Mr. Béchard): Order. The chair has recognized the hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Thank you, Mr. Speaker. Perhaps, when I have finished, the Parliamentary Secretary (Mr. O'Connell) will have a few more questions to which he can reply. The hon. gentleman did say a while ago in this House that there was no correspondence. I am flabbergasted that there should be no correspondence at all between the premier of Saskatchewan and the federal government with regard to federally-designated areas. Did the premier not write even a single letter on this important subject? He has expressed his views about it freely in the Saskatchewan legislature, in the press and over the other media. Did he not write even a brief note mentioning the areas which he believed should be included under the regional development incentive program? Mr. Speaker, I did not ever have very much confidence in the premier of Saskatchewan, but after learning something like this, if the Parliamentary Secretary is telling us the truth, I have even less confidence in him. It seems to me that any premier would be interested enough at least to write to the minister in charge and make known to him the areas which he believes should be included as designated areas in his own province. This is especially important in the case of a province such as Saskatchewan, having regard to developments there during the last two or three years. I do not think the people of our province should forgive the premier if he did not even send a few letters to the minister in charge or to the department.

If there is no correspondence at all, it becomes very difficult to debate this point further. But I think there must be some. All of us will have to demand a good explanation from the Parliamentary Secretary when he rises to take part in the debate. I do not intend to become involved in a long series of suggestions to indicate what ought to be done, in my opinion, or to prove that the government is not doing what I think. The Parliamentary Secretary heard me speak for seven minutes during the late show last Monday night and is familiar with some of my ideas as to what should be done in this area. What is really important in this particular debate is that the government should produce the relevant papers if they exist. I am sure some do exist. I am sure some correspondence must exist. If the Parliamentary Secretary says that it does not, I think the premier of Saskatchewan would be interested to know that.

• (5:20 p.m.)

The Federal government is led by a man who a year and a half ago talked of the new politics of participatory democracy, of opening up government and society for all to participate. Yet when we ask about something as basic as this, it is denied us. The people in my province have the right to know what kind of letters, briefs and communications were exchanged between the two governments before this government made up its mind which areas to include within the regional development incentives program. This is a matter that is basic to parliamentary democracy and to a society that pretends to believe in participatory democracy.

All members from Saskatchewan are very happy at the inclusion of Regina and Saskatoon and the Meadow Lake area in the new plan announced yesterday. I think all of us would be very happy to see the government do something to improve life in these areas. As you know, Mr. Speaker, I and other hon. members have for some time called upon the government to designate all of Saskatchewan a special area which would qualify for government grants under the regional program.

Mr. Stewart (Cochrane): Why not include all of Canada?

Mr. Nystrom: I hear the hon. member for Cochrane (Mr. Stewart) making his usual contribution to the debate, and I shall be interested to hear later what he has to say.

As the hon. member for Regina East (Mr. Burton) outlined today, and as I have said on previous occasions, all of the people of Saskatchewan, farmers and others, are affected by the economic recession that has set in. Farm income has fallen drastically; there is no quarrel about that. Non-farm income has gone down. Unemployment is higher now in Saskatchewan than it has been for years. Businesses are closing up; many have gone bankrupt, others are slowing down. Unless some help arrives soon, others will have to pull out. In addition to that, investment has fallen and people are moving out of the province. About 1,800 people moved out of Saskatchewan each month between last April and last October. This alone gives a very good illustration of what is happening in Saskatchewan.

After the Minister of Regional Economic Expansion (Mr. Marchand) made his announcement in the House yesterday, I telephoned the mayor of Yorkton. He asked me why Yorkton was left out of the regional

economic plan. The city of Yorkton—and Yorkton is but one example—has sent briefs and letters to the minister outlining the economic situation in that city, and asking that Yorkton qualify for additional incentives to attract industry to the area. Yet Yorkton has not been included in the plan.

I should like to know why this is the case. I should like to know also why other communities in Saskatchewan were not included in the plan. Perhaps a little light would be cast on the situation by the correspondence that passed between the provincial and federal governments in relation to regional economic development and the choice of designated areas. But apparently the Provincial Government did not see fit to send any correspondence.

I could go on at great length to talk about different problems in Saskatchewan, and advance further arguments for designating the whole province of Saskatchewan, but in view of the time element and the fact that other people want to participate in the debate I will try to be as brief as possible. I hope that the announcement made yesterday by the Minister of Regional Economic Expansion was not mere tokenism on the part of the government. Because if it was, this will mean nothing to the people of Saskatchewan in areas now within the new regional development plan. When the Parliamentary Secretary replies to the debate, perhaps he could tell the House whether or not the new special areas will be treated on the same basis as the old areas originally designated under the plan announced last August. I hope that the announcement that has just been made will not be a paper announcement. These areas need more than that; they need help immediately. Not only is the economic life of the province failing, but the entire way of life of hundreds of thousands of people is being affected.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the motion before us is a request for the production of papers passing between the government of Canada and the province of Saskatchewan in connection with the designation of certain regions of Saskatchewan under the new incentives plan. There is no such correspondence, Mr. Speaker. I informed the hon. member who raised the question of that some months ago, and I now have to inform him once again that no such correspondence exists.

[Mr. Nystrom.]

Some hon. members will probably be surprised to learn that this situation is not unique to Saskatchewan; the same situation obtains in all of the other provinces with regard to designation of various regions, with the exception of the province of Alberta. There was some consultation between officials of the department and their counterparts in each of the provinces. These consultations resulted, not without friction in some cases, in some consensus.

Section 3 of the Regional Development Incentives Act requires consultation in such matters. It does not require agreement between the two governments concerned in any particular case, but it does call for consultation. In this case there was a desire to get on with the job as quickly as possible, to have a rapid commencement in view of the high promise of the programs of this department, and therefore discussions were entered into between the officials. These discussions were oral. I repeat that, except in the case of Alberta where there was some disagreement between the officials and some correspondence did result and was tabled in the House on December 15 in response to a request from the hon. member who moved this motion, there is no other correspondence.

The reason for the lack of correspondence was in order to avoid any sort of confrontation, if at all possible; to avoid the kind of situation where there is proposal and counter-proposal. Many officials of the federal government travelled to the provinces in order to conduct these consultations. In the very co-operative environment that existed, agreement, or at least a consensus, was sufficiently reached to enable the federal government, as was its responsibility, to designate certain regions.

In view of the fact that there is no such correspondence, Mr. Speaker, I feel I ought to ask the hon. member whether he would agree to withdraw his motion.

Mr. Burton: Mr. Speaker, before the hon. member resumes his seat, might I ask him a question? I quite recognize what the Parliamentary Secretary has said about consultations between provinces, the value of discussion, and that no formal agreement following consultation is required. However, in view of the fact that consultations were held and that information about the proposals passed between the federal government and the province of Alberta, why was it that in answer to questions that I placed on the order paper in regard to consultations with other

provinces, the only reply given by the government was that consultations did take place, and the whole thing was done by discussion? The government would not even answer my question about when those consultations took place. The government then went on to indicate that the details of those consultations were confidential.

Mr. O'Connell: I think I explained that, Mr. Speaker. The desire was to hold oral consultations, if at all possible, in order to arrive at a rapid resolution of the boundaries in each province. In only one case did they result in correspondence. I ask again whether the hon. member is prepared to withdraw the motion on the basis of that explanation.

• (5:30 p.m.)

Mr. Burton: Mr. Speaker, could I ask the hon. member a question?

Mr. O'Connell: I am not prepared to accept further questions. I think I am entitled to an answer to the explanation I have given the hon. gentleman. I do not think he is prepared to withdraw his motion. I would say in conclusion, since I do not propose at this time to enter into a debate on the motion, that there are a number of appropriate occasions to raise this type of question. The time will soon come when the estimates are before the Standing Committee on Regional Development. I think the hon. member is a member of that committee. With regard to the points raised as to why various matters were not included, let me say that there will be more appropriate opportunities than this to discuss such details and I will be delighted to be in attendance at some of these meetings.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, the hon. member for Regina East (Mr. Burton) has before us a Notice of Motion for the Production of Papers. These papers do not exist, yet we continue to debate a matter which has nothing to do with this motion. We are talking about a matter which concerns the incentives program of the Department of Regional Economic Expansion. I am happy to talk about that program at any time, but it seems to me this is nothing but a ruse on the part of the hon. member. In any event, the hon. member refuses to withdraw his Notice of Motion for the Production of Papers which do not exist. He is using this as a ruse in order to do some politicking back home and to talk about the situation in Saskatchewan.

Mr. Speaker: Order, please. The hon. member knows he cannot impute motives.

Mr. Stewart (Cochrane): I am sorry if I seemed to impute motives to the hon. member for Regina East, but it is difficult to understand why we must go on with the debate when there are so many other important things to discuss in the House. In any event, we continue to discuss a Notice of Motion for the Production of Papers which do not exist. To me, this is the kind of thing that lowers the whole tenor of the House of Commons. It is the kind of thing that lowers the reputation of this institution in the eyes of people of this country.

I can understand the hon. member's desire to bring this matter before the House. I can understand why everyone would like to have certain parts of the country designated for special consideration. We would all like that, but I suggest this is not the way to go about it. It seems to me this is typical of the kind of method used by a number of members in this House to bring things forward and to talk about situations that are important to them personally and to their constituents, but they are not necessarily matters of importance to the whole country.

The question of regional economic expansion is very close to my heart. I have always been extremely interested in it. Our country is relatively underdeveloped as compared with other countries, but it has a tremendous future. The only way we can become great in the world is by developing our potential. It is rather ridiculous for all of us to come here and say that certain parts of Canada should be considered under this program. Perhaps this is why I said a while ago, out of turn, that the hon. member for Yorkton-Melville (Mr. Nystrom) was wandering when he suggested that all of Canada should be designated. He suggested that we should designate Yorkton, this place and another place.

I have a sister and a brother-in-law who work in the area of Melville. I am sure they would like to see Melville designated as a special region. We would all like this in all areas of Canada. But let us be practical. As far as Saskatchewan is concerned, I cannot remember when I have heard anything about politics in this country and the Prairies, and particularly Saskatchewan, have not been mentioned in one way or another, usually in connection with wheat. We have had our share of discussion about wheat in this Parliament since I was elected. We have heard nothing but talk about wheat, damp and otherwise. We have heard about the hardships suffered by the people of Saskatchewan and why they should receive special consideration.

We have never heard in past years about the difficulties faced by the people of northern Ontario, and we have heard little about the people in other parts of Canada.

We have now been given a plan for regional economic expansion which will give us the opportunity to develop certain parts of this country which need development and which perhaps have been neglected in the past. That is the importance of this legislation. Now our hon. friend comes along and says: Why not Saskatchewan? The ironic part of the motion before the House is that only yesterday the minister came into the House and announced that two of the major cities in Saskatchewan were to be designated as special areas. What more do they want? Are they talking about welfare? It would appear that the hon. member for Regina East is talking about welfare, because he said a while ago that we need more public works projects and more Indian and Métis programs. What on earth does he want? Is he talking about regional economic expansion, or about welfare?

We must try to develop the whole country. We cannot develop every single community. We must select certain areas for special treatment, perhaps those which have been neglected in the past, in an attempt to bring them up to the standard we want for Canada. My whole riding needs to be developed; there is no doubt about that. We are all trying hard to see that it is developed, but we can hardly expect that every community in the riding of Cochrane will benefit.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. It seems to me that the hon. member for Cochrane (Mr. Stewart) should be dicussing the topic covered by this motion and not wandering off into different areas of the country. He should be talking about the topic at hand.

Mr. Speaker: The point made by the hon. member is well taken. Unfortunately, I missed the first part of this very interesting debate. I have been here for a few minutes and I have the impression that perhaps what has been debated up to now is not what is before the House. Hon. members know that before us at the present time is a Motion for the Production of Papers. According to precedent, the only subject which can be discussed at this time is not whether there should be assistance to Saskatchewan, the area of Cochrane or any other particular place, but whether certain documents should be produced. The limits of debate on a Motion for the Production of Papers are very narrow. Indeed, I have often thought it very difficult to make a 20-minute or a 15-minute speech on such a subject. If I continue, I will be making a 20-minute ruling on the subject.

Let me say to the hon. member for Cochrane (Mr. Stewart), and other hon. members who may wish to speak during this hour, that the only point we should be considering at this time is whether or not these papers should be produced.

Mr. Stewart (Cochrane): Thank you, Mr. Speaker. I note that your ruling is very similar to my suggestion at the beginning of my remarks. I find it rather difficult to understand how we can debate the production of something which does not exist. We have already been told that the papers do not exist, yet the hon. member for Regina East insists that they be produced. I do not know whether he wants the Parliamentary Secretary to perform some kind of hat trick; but if the papers do not exist, they cannot be brought forward.

• (5:40 p.m.)

Obviously, the sponsor of the motion is concerned that in that fictitious correspondence there would be something to indicate that one or another area of Saskatchewan should be designated. This is what seems to bother him. I should like to make the point that we cannot possibly consider each and every community in Canada for special designation. Certain areas have to be singled out for that, because the idea of such designation is not to give welfare but to develop an area for the future and bring in new industry: where you have a one-industry town, for example, you can bring in other industries so that the people do not have to depend strictly on one industry for their living. This is the important part of the legislation.

It seems to me that the hon. member for Regina East should be aware of that and in agreement with it, since not only this government but previous governments gave special consideration to Saskatchewan and the Prairies. But now the Minister of Regional Economic Expansion (Mr. Marchand) has given special consideration to Saskatchewan by designating two cities there as special zones. Does the hon. member know what that means? It means that they are not only designated in the way other areas are designated, but they are given special consideration so that even primary industries in most cases can be considered for special help from the federal government. It seems to me this is far

more than they could ever want in Saskatchewan or what is implied in the motion of the hon. member. I think that now, in light of this new regulation, the hon. member should be willing to withdraw his motion for the production of fictitious papers.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, what is being debated here is the right to know. That is why there is a Motion for the Production of Papers. In reality, it is for the production of information.

Mr. Pepin: There are no papers.

Mr. Gleave: The people of Saskatchewan whom we represent want to know what has happened over a period of time between two governments, the government of Saskatchewan and the federal government, in respect of the development program that was put into effect. Saskatchewan is staggering under the blows of two Liberal governments, one there and one here. We want to know what they have been doing.

The answer seems to be that they have been doing nothing, because they cannot produce any evidence that anything has happened. If anything has been done, it should be possible to produce some evidence in this House and to say to the House that such and such has happened and that such correspondence or agreements exist. But nothing has happened. This is the real difficulty of the government, that they have to say there is nothing for us. We have to accept it.

Mr. Pepin: Always crying and complaining. The New Cry-baby Party.

Mr. Gleave: When Mr. Speaker calls us to order and asks that we stay on the subject of the Motion for the Production of Papers, I must admit it is hard to discuss something that happened that really did not happen, if you know what I mean. It is a very difficult thing to do, and I admit it. This probably has been the difficulty faced by hon. members who preceded me.

I do not want to disappoint the hon. member for Cochrane (Mr. Stewart) and start speaking about a certain cereal, in which case he would say, "There they go again". So I will disappoint him. I do not know whether so far as this program is concerned we will find ourselves in the same circumstances as befell other programs that have been announced. Perhaps a representative of the government will stand in this House a few months from now and say that this and this happened with the new programs and he can give the House this and that information.

Mr. Burton: Mr. Speaker, I rise on a point of order. My concern in asking that the motion be transferred for debate was based on the lack of information or correspondence regarding this motion, two other motions and other related motions and questions on the Order Paper. I asked that the motion be transferred for debate because I thought it required further discussion. In view of the further explanation given by the Parliamentary Secretary this afternoon, I ask leave to withdraw my motion.

Mr. Speaker: The hon. member for Regina East (Mr. Burton) seeks leave to withdraw the motion now before the House. Is this agreed?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Mr. Speaker: I understand that in another two or three minutes the Gentleman Usher of the Black Rod will be knocking at the door of the House requesting our presence in the other place. If hon. members are agreed, we might wait until this important event takes place.

• (5:50 p.m.)

THE ROYAL ASSENT

A message was delivered by Lieutenant-Colonel A. Fortier, Assistant Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency the Governor General that this House attend him immediately in the chamber of the Honourable the Senate.

Accordingly, Mr. Speaker, with the House went up to the Senate chamber.

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, Royal Assent to the following bills:

An act to amend the Quebec Savings Banks Act

An act to amend the Canadian and British Insurance Companies Act and other statutory provisions related to the subject matter of certain of those amendments

An act to amend the Foreign Insurance Companies Act

An act to amend the Trust Companies Act

An act to amend the Loan Companies Act
An act to incorporate Pitts Insurance Company
An act to incorporate Pitts Life Insurance Company
An act to prevent the introduction into Canada of infectious or contagious diseases
An act respecting McOuat Investments Limited
An act respecting Buccaneer Industries Ltd.
An act to incorporate ICG Transmission Limited
An act to amend the Small Businesses Loans Act
An act to amend the Railway Act
An act to amend the Canada Student Loans Act
An act to implement a Supplementary Income Tax Agreement between Canada and Sweden
An act to amend the Company of Young Canadians Act

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. E. J. Benson (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, in presenting the budget to the House last June, I expressed the government's view that a strong fiscal position was essential to check the rise in prices and smooth the way toward more balanced and sustained economic growth. We have maintained that position. Fiscal and monetary policies have worked in tandem to establish conditions which should give us the upper hand in squeezing inflation out of the economy. This year by a national effort we must reduce the rate at which prices are increasing. To accomplish this we must be resolute in continuing to restrain the demands that are made upon the economy. We must also continue to relieve situations where particular economic circumstances and the need to apply the big levers of economic policy may create difficulties. This has already led to several adjustments of our policies.

The Economic Situation in 1969

In the Budget Papers which I tabled in the House on February 27, hon. members will find a comprehensive review of economic developments in the past year. As a background to my remarks on our present situation and to gain perspective on the prospects for the year ahead, I should like briefly to review the highlights of economic development in 1969.

[Mr. Speaker.]

We in Canada have not been alone in confronting entrenched inflation. The United States faces it. Many countries of Europe fight the same fever. The fact that our experience is far from the worst gives us no comfort for we know that the illness, if not corrected, will only deepen. We also know that while the illness is to some extent contagious, every country has to make its own provision for curing it.

The average rise in prices of all the goods and services that enter into the gross national product was of the order of 4.2 per cent last year compared to 4 per cent during 1968. The consumer price index was 4.6 per cent higher in January, 1970, than a year earlier. There are some recent glimmerings of evidence that the rate of increase of prices is no longer rising. But however one interprets these scraps of hopeful news, the hard fact is that both prices and costs—and wages and salaries in particular—are still rising at quite unacceptable rates.

The Canadian economy made notable gains last year both in output and employment. The growth of real output maintained the 1968 rate of 4.8 per cent. Employment grew faster than in the previous year—by 3.2 per cent compared with 2.2 per cent. But after the first quarter, as the restraining policies took hold, the rate of growth of demand slowed down. This development was anticipated although it was delayed longer than we had wished. It is a necessary pre-condition for the moderation of price and cost increases which it is the object of policy to achieve. Unemployment in December, 1969, was 4.8 per cent of the labour force, the same proportion as in December, 1968. Seasonally adjusted, the proportion fell in January to 4.5 per cent.

In the personal sector of the economy, incomes after taxes rose more rapidly than in 1968. Spending on consumers' goods and services rose even more quickly than personal disposable income. Personal saving therefore declined. The balances of consumer credit outstanding rose especially rapidly in the first part of the year. In distributing their increased expenditure among categories of goods and services, consumers favoured services and non-durable goods in general.

• (8:10 p.m.)

Information on business capital expenditures suggests that numerous projects planned for 1969 were postponed or cancelled in the latter part of the year. A fall in profits per unit of output accompanied this apparent change in investment plans. Manufacturers' inventories, especially of finished products, were also building up at a substantial rate in the final months of 1969. Housing starts reached 210,000 units for 1969 as a whole but they declined successively each quarter of the year. The government is now providing a substantially increased flow of funds for low-cost housing projects this coming year. This reflects the high priority we place on meeting the need for housing in general and for low-rental homes in particular.

In our foreign transactions we had in 1969 a rather substantial increase in the deficit on our transactions on goods and services—the current account of the balance of payments. Wheat sales were substantially lower. Other exports increased but at a slower rate than imports, which rose quite strongly early in the year. There was a large inflow of long-term capital including the foreign borrowings of provinces and some municipalities. Once again there was a significant outflow of short-term capital attracted by very high short-term interest rates abroad. The over-all impact of all of these transactions upon our reserves was a modest increase of some $60 million (U.S.) during 1969. The value of the Canadian dollar in foreign exchange markets continues to be very strong, and our reserves have increased by $318 million (U.S.) in January and February. I hope this will decry what many people have said about flights of capital due to our white paper.

Some hon. Members: Hear, hear!

Financial Markets

Mr. Benson: Financial markets reflected the restraining influence of the monetary authorities in Canada and elsewhere. Interest rates reached record levels by year-end. The growth of the assets of the banking system was about 5 per cent for 1969, and the liquid asset ratio of the banks was pushed to a record low. Net new issues of securities by Canadian borrowers were nearly $850 million lower in 1969 than in 1968, though the issue of securities denominated in foreign currencies rose substantially. Apart from the very successful issue of Canada Savings Bonds the government of Canada was not a net borrower in the bond market in 1969. In fact, the amount of our marketable securities outside government accounts declined somewhat, and there was a reduction in the net public debt for the first time since 1957.

Some hon. Members: Hear, hear!

Mr. Benson: This feature of our operations helped the monetary authorities in their task of maintaining an appropriate degree of restraint. It also permitted other borrowers—provinces, municipalities and businesses—full access to the funds available. The funds accumulating in the Canada Pension Plan invested by my department in provincial and provincially guaranteed long-term bonds exceeded the total net new marketable bond issues of all kinds taken up by the Canadian bond market. This fund has been a lifesaver in meeting the needs of provinces, municipalities, school boards and other public authorities during a difficult period.

Regional Aspects

Although the various regions of the country had different rates of economic growth in the past year, all of them suffered higher prices. In this sense all regions feel the problem of inflation. Our fiscal and monetary policies have been directed to this general and widespread problem. The government has explicitly recognized, however, that the total spending pressures have not been equally distributed across the country. Accordingly, we have adopted certain measures that differentiate between regions of higher and lower employment. Our tax measure concerning depreciation charges on costs of commercial construction is one example. The request to the chartered banks to have special regard for borrowers in the less prosperous areas of the country is another. In addition, in our expenditure policy, we have given high priority to certain programs which attack specific economic problems of regions of slow growth. Among such programs are those of the Department of Regional Economic Expansion, the Manpower Training Program, the Farm Credit Program and the Wheat Inventory Reduction Program. Equalization grants to the provinces of slower growth amounted to $750 million in the past fiscal year, an increase of 16 per cent over the previous year.

The Fiscal Position in 1969-70

I turn now to the fiscal position for the year 1969-70. Of course, there are some weeks remaining in the fiscal year so that the results I present are the best estimates we are able to

make at this juncture. Last June I forecast a budgetary surplus of $250 million. In the Budget Papers tabled February 27 I estimated the surplus at $455 million for the current fiscal year. The difference from the budget arises mainly from the more rapid growth in our tax revenues. Total revenues are expected to be some $245 million above the earlier forecast; expenditures, $40 million above. Since the Budget Papers were printed, the government has decided that the very serious excess of wheat stocks in Canada must be drastically reduced by emergency action. Consequently, Parliament has been asked to appropriate immediately a sum of $100 million to enable Prairie farmers to reduce their acreage planted to grains this year and enable them to adjust to a system of wheat delivery quotas intended to move the existing stocks off the farms. We are proposing to charge this appropriation to this current fiscal year's accounts, increasing budgetary expenditures to $11,915 million in 1969-70, and reducing the budget surplus to $355 million.

Last June I foresaw cash requirements for non-budgetary purposes, apart from exchange transactions, of some $650 million, before allowing for the offset to the write-off of the Expo deficit to expenditures. It now appears that our non-budgetary requirements will be much less than was forecast at that time. A figure of $365 million is implied in the Budget Papers. This figure will be reduced by $100 million, representing a contra non-budgetary credit to the budgetary charge for the appropriation for the wheat inventory reduction program, since the funds will not be disbursed until after the year-end. Other changes in expected year-end items have involved a further reduction to a total net non-budgetary requirement of only $105 million. To this we must add an amount on account of exchange transactions of about $310 million up to the present, somewhat more than was recorded earlier in the Budget Papers. Offsetting these cash requirements on non-budgetary account against the budgetary source of cash, we anticipate that our net over-all cash requirement for the fiscal year ending March 31 next will have been about $60 million. I have already explained that our marketable bonds in the hands of the public decreased slightly. However there was a net increase in Canada Savings Bonds outstanding of $374 million, and small increases in treasury bills outstanding, and in non-marketable securities held by the Unemployment Insurance Commission. These were more than enough to meet the net cash requirements, and should result in an increase in our Canadian dollar cash balances of about $400 million, to a figure which I now forecast at about $1 billion at the year end; that is March 31.

Economic Prospects

Let me turn now to the year behind. I shall speak first of the prospects for the economy and of the fiscal outlook under these circumstances. Then I shall turn to policy issues and proposals.

With the pace of economic activity now somewhat reduced, I expect that the economy will continue to move upward in 1970, but at a lower rate than in 1969. In terms of volume of output, the rate of growth in 1970 may well be 1½ or 2 percentage points lower than last year's 4.8 per cent. Employment will continue to rise, but more slowly than in 1969, and I anticipate some increase in unemployment. There will also be difficult wage negotiations. Some of these negotiations may issue in strikes—perhaps prolonged ones—before settlements are reached. Profits, which have already begun to fall, are likely to fall further in the coming year, in total dollars and per unit of output.

Mr. Speaker, we have a hard task ahead of us in bringing about a significant reduction in the rate of rise of prices and costs. It is the policy of the government to restrain the growth of total spending in the economy, for that is a necessary condition for achieving our primary economic objective. We shall continue to support the work of the Prices and Incomes Commission which is striving to engage business, labour, consumers and governments in a united resistance against inflation. To the extent they succeed, the objective can be reached with less severe fiscal and monetary measures than would otherwise be necessary.

To translate a 3 per cent growth of real output in 1970 into value terms requires a forecast of the success to be achieved in all our efforts to stem inflation. This is particularly hazardous this year. We just cannot tell how soon or how far the slowing of growth in demand and in production will bring about a slowing down in price increases. In forecasting revenues we assumed that prices will increase slightly less than last year. But if we could cut the rise in prices to say three-quarters of the rate last year, and if as the year progresses this trend is clearly evident, we shall

have good cause to be pleased. Any shortfall in our revenues for this reason would be welcome.

We have also been encouraged in our efforts to check the inflationary rise of costs and prices by the co-operative approach of the provincial governments. This was made clear, as honourable members will recall, at the conference of first ministers in mid-February. The consensus contained in the conference communique indicated the broad support of the provinces for the program of voluntary restraint, and their own intentions, so far as their particular circumstances permit, to apply the proposals of the Prices and Incomes Commission within their own jurisdictions.

• (8:20 p.m.)

There was, of course, continued emphasis at the conference on the financial pressures facing provinces and municipalities, as projected in the report of the Tax Structure Committee. Much of this emphasis was naturally focused upon the sharing of tax resources. However, there was also evident a deeper awareness of the fact that the demands upon governments at all levels for new and improved services of all kinds—and from all parts of society—are outrunning the growth of revenues. This is the fundamental problem responsible for financial pressures upon governments. It is also true that the brunt of these demands has fallen upon the provinces and municipalities. Their expenditures have been rising rapidly as a percentage of the gross national product during the past dozen years, while those of the federal government, excluding transfers to the provinces, have remained relatively constant. However, there was a clear recognition that in an environment of erosive inflation it is necessary to contain these rising demands. Consequently, even though the projections of provincial budgets for 1970-71 showed a very large increase in potential deficits, most of the provinces indicated their intentions to do everything possible to reduce or eliminate the projected increases. The Ontario government is a particularly significant case in point, having in mind both the size of its budget and the predominant position of the Ontario economy in the total national picture. If Ontario is successful in achieving its stated objective of a balanced budget, the fiscal position of provincial and municipal governments in the aggregate should not be markedly different in 1970-71 from the position achieved in 1969-70. This is an important element in the national struggle to beat inflation.

Fiscal Prospects

What are the prospects for our fiscal position, given our present programs? My colleague, the President of the Treasury Board (Mr. Drury), has tabled the estimates of expenditure for the coming fiscal year. On the basis of these estimates, and making some modest allowance for contingencies, as well as for lapses in appropriations, I am forecasting budgetary expenditures in 1970-71 of some $12.9 billion. My colleague has drawn the attention of hon. members to the important part of the projected expenditure increase which consists of the items we share with the provinces and over whose magnitudes we do not have much control. Members are aware of our sustained effort to restrain the growth of expenditures over which we do have control, including those to which we attach a particularly high priority at the present time. We have given highest priority to such expenditures as those for regional expansion, for the development of bilingualism, for improvement of technology in industry and for improving the position of Indians and Eskimos.

Our budgetary revenues based on the existing tax law will be higher in 1970-71 than in the past year, as the economy continues to grow. But because growth will be slower our revenues will not be as buoyant as in the past year. The receipts from the corporate income tax will be particularly affected both by the lower levels of profits that we anticipate and by the fact that the revenues have already reflected most of the once-and-for-all gain from the speed-up of corporate tax payments. Moreover, as part of the program of restraint in price and cost increases we have postponed a number of increases in charges for government services, and the implementation of the air fares tax. We are forecasting revenues of $13.2 billion. We expect the budgetary surplus to be $300 million. This is to be compared with the surplus of $355 million in the current fiscal year noted above.

Our net non-budgetary cash requirements, apart from those arising from exchange transactions, are expected in 1970-71 to be approximately $775 million. Of this total, $100 million will arise from the cash outlay for the wheat inventory reduction program. Leaving this wheat item out of account in each year, the increase has been from about $650 million forecast last June for 1969-70 to about $675 million now forecast for 1970-71.

In fact, however, the net amount required for those non-budgetary purposes in 1969-70

has turned out to be much less, for several reasons as I have previously noted. A number of our lending programs, such as those for farm credit and international development, as well as the investment programs of our Crown companies, required less than we forecast. These changes, together with the substantial budgetary surplus, reduced our net cash requirements to an unexpected but welcome low level.

We cannot expect a similar reduction this year. While our estimated non-budgetary requirements include some allowance for contingencies, as they should, they also reflect increases in a number of firmly established programs of high priority. Among these increases are the following:

—nearly $150 million more for loans to Central Mortgage and Housing Corporation to assist in offsetting an expected decline in the flow of private funds into financing housing, to give more emphasis to low-cost rental housing, and to finance more municipal sewage plants urgently needed to reduce pollution;

—about $25 million more in mortgage funds for farm credit, chiefly to assist prairie farmers in readjusting to meet the new outlook for grains;

—about $40 million more for Atomic Energy of Canada to invest in advanced power plants and a large heavy water plant to meet the urgent shortage of that important material;

—about $40 million more for loans to less developed countries as part of our external aid program;

—about $50 million more for loans for regional economic expansion, on which all of us place high priority.

As a result, the forecast total of our lending programs, net of repayments, will be increased from about $1,150 million in 1969-70 to about $1,675 million in 1970-71.

These loans are important uses of the nation's savings for investment purposes. However, their economic impact must be assessed, and they must be budgeted as carefully as expenditures. Moreover, they have important effects on our government financing program, and on the management of monetary policy.

Taking the projected budgetary surplus and net non-budgetary requirements together, our net cash requirements for the year 1970-71 are expected to be some $475 million—excluding amounts that may be required to finance foreign exchange transactions.

[Mr. Benson.]

• (8:30 p.m.)

In terms of the national income accounts, as compiled by the Bureau of Statistics in recent years and used by economists, we estimate that the federal government sector, excluding the Canada Pension Plan, has had a surplus of $570 million in 1969-70 and, on the forecasts I have given, would show a surplus of $180 million in 1970-71.

General Policy

It is evident that the federal government's fiscal position as a whole in 1970-71 will be exerting somewhat less restraint on the economy than in this year. In part this will be due to the emergency wheat inventory reduction program. I am satisfied that the measure will be in the interest of the nation as well as in the long-term interest of the wheat producers in Canada. In part the change in our fiscal position is due to expenditures, particularly the transfers to the provinces for health and education, rising somewhat more rapidly than revenues. It is also due to our increased lending programs for housing and farm credit where the capital market is not providing an adequate flow of private funds to meet the needs of balanced growth and development. In general, the fiscal effects of our operations will be better distributed regionally than last year. Our regional expansion expenditures, revenue equalization grants and other payments will be higher in the areas of less inflationary pressures. Our revenues, of course, are growing more rapidly where incomes are increasing more rapidly.

These forecasts are based upon expectations of lower rates of growth in employment and production, and an economy operating at a lower percentage of capacity than during 1969-70. If we could be concerned only with the pressure of total demands upon our productive capacity and markets, further action would not be necessary. However, there has been no slowing down in the rate of increase of prices and wages and other incomes. Costs continue to push prices up. Slower real growth has not yet reduced inflation. I sincerely expect it will do so as the year proceeds. The code of price behaviour arranged between the Prices and Incomes Commission and representatives of business and the professions, should assist materially in bringing about some reduction in the rate of price increases. We must give it a chance to take effect. We must also give organized labour time to decide whether and how it should join

in some sort of agreed program to moderate the pressure of costs on prices.

Some hon. Members: Hear, hear!

Mr. Benson: In these circumstances, I feel some additional specific restraints upon the economy are necessary to maintain the pressure against the price and cost increases. I am not proposing any tax increases in this budget.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Horner: You have your white paper. What more do you need?

Mr. Benson: I am terribly upset that the opposition wanted tax increases which I have not provided. I am informed that this will be the first budget since 1913 in which there were no Ways and Means motions.

Mr. Diefenbaker: When will be the next budget—in six months?

Mr. Benson: I am proposing, however, two measures of a special character that will help to implement our determination to bring inflation under control.

Proposals

The first concerns construction. This industry has been a leader in the inflationary spiral, even though the total volume of construction has not increased substantially since 1966. There are special characteristics of this industry which make it particularly prone to "cost-push" inflation. As a government we are encouraging the construction of housing on a large scale, and also industrial construction in those regions in need of expansion. We think both deserve priority in all parts of Canada. On the other hand we do not wish to aggravate the peculiarly inflationary situation in this industry—which was vividly in evidence last year. Last June we introduced a measure of mild restraint on commercial construction applying to the main urban areas of the three provinces of most rapid economic growth. This appears to have had some effect in deferring projects of lower priority or profitability, though it is hard to disentangle its effects from the many other influences at work.

The recent medium-term survey of the capital investment outlook published by the Economic Council forecasts a rapid expansion of commercial investment in 1970—a rate of increase several times that for business generally. This and other information leads me to the conclusion that we should maintain the force of the depreciation measure we introduced last June. Hon. members will recall that the right to claim depreciation for tax purposes was postponed for two years on commercial construction begun after budget night. The postponement applied only to construction costs incurred on these projects up to the end of 1970. Initially, then, it applied to work done within the following 18 months. However, now, in its present form, it applies only to work done in the nine months until the end of 1970. Consequently, the force of the measure has been reduced by the lapse of time. I am now proposing that, for projects commenced between tonight and the end of 1970, the postponement will apply to construction costs incurred up to the end of 1971. The effect of this change will be to restore approximately the same impact to the measure as it had when it was first introduced. It will apply only to buildings to which the original measure would have applied.

This decision will be implemented, as last year, by a regulation under the Income Tax Act.

The second action I propose is that Parliament enact a control over the terms of consumer credit similar to the act passed in another inflationary situation 20 years ago.

Some hon. Members: Hear, hear.

Mr. Benson: It would be a temporary anti-inflationary measure, intended, in the national interest, to safeguard the integrity of our currency. It would authorize the government to regulate the terms of credit extended to consumers by various kinds of lending institutions and merchants. It would apply to banks, sales finance companies, consumer loan companies and other lenders, and to department stores, automobile dealers and other merchants. In general, our intention would be to use this act to require a minimum down payment for large purchases being financed by credit extending for more than one year, and to limit the period over which such credits must be repaid. We would not propose to interfere with credit for small purchases—say under $100—nor with ordinary charge accounts, payable within 60 days, nor with revolving credit or budget accounts requiring regular monthly payments that would repay them within 12 months. It would not apply to outstanding loans or the terms of purchases already made on credit.

• (8:40 p.m.)

The purpose of the action proposed is to limit the growth of consumer expenditures in

the present inflationary situation. We have in mind not only spending on durable goods but also on other goods and on services such as travel. In recent years the rate of increase of consumer expenditure has been stimulated and supported by substantial, though somewhat uneven, increases in consumer credit outstanding. I can well understand the smile of the Leader of the Opposition (Mr. Stanfield) who was threatened by a bomb yesterday, and he may not want to travel any more.

Mr. Speaker, the increase in consumer credit was particularly rapid in the first half of last year. It slowed down after mid-year because of the levelling out of unsecured personal loans by the banks, but the latest figures indicate that growth in consumer credit has been resumed. It now seems probable that the expansion of consumer spending this year will be reinforced by a large increase of credit unless some action is taken to check it. We believe that selective action along the lines proposed would be better than more general measures that would interfere with the flow of funds required for housing and for industrial and urban development in our country.

We do not intend to restrict loans for business purposes, including farming, or loans for the acquisition, construction or improvement of houses. Student loans for education would, of course, also be exempt.

It is difficult to forecast the quantitative effect on consumer expenditure of requiring specified down payments and limiting the period of repayment. We are planning to require down payments of 20 per cent where credit is extended for more than a year and to require repayment within 30 months for automobiles and 24 months for other purchases. We think these terms will have only a very moderate impact on the purchases of new cars which are already temporarily low just now. We think it will bear directly somewhat more heavily on other purchases particularly of durable goods and holiday trips. The reduction in spending will probably affect indirectly a wide variety of goods and services, as many consumers can be expected to divert their spending from less desired things in order to make the down payments on what they want most, and to pay off their credit more rapidly than they otherwise would. In all, we think that the total of consumer expenditures might be reduced by $300 million or $400 million a year, which is less than one per cent of the total of consumer purchases.

[Mr. Benson.]

In order that the legislation and regulations can properly take into account the variety of institutions and practices involved in extending credit to consumers, I intend to have my department consult with representatives of those who provide credit or sell on credit. I would expect the government to be in a position to introduce the legislation in about six or eight weeks.

I am not proposing any legislation on taxes or tariffs at this time. We will need to keep a close and continuing watch on the condition of the economy and particularly the success achieved in checking the rate of increase in prices and wages. Possibly legislation will be needed in the autumn. Meanwhile, I do not anticipate any lack of interest in any parliamentary discussion of the subject of taxation.

In regard to tariffs, I should say that since the last Budget I have received a number of requests for amendments to the Customs Tariff, some for increases and some for decreases. I have decided that I would not introduce any changes at this time. This will mean postponing any action on two reports in which the Tariff Board recommended higher duties—in one case on live turkeys, in another on polyethylene.

Some hon. Members: Oh, oh!

Mr. Paproski: How long?

An hon. Member: This budget is a real turkey.

Mr. Benson: I consider that this is not an appropriate time to propose even modest increases in protective tariffs in Canada. I will be prepared to take decisions on these reports at a later date.

Some hon. Members: Hear, hear!

Mr. Benson: I wish to make an important announcement concerning air and water pollution. We have permitted accelerated capital allowances under the Income Tax Act to encourage and assist industry to invest in structures or equipment for the primary purpose of preventing or reducing the pollution of Canadian waters. This section of the regulations expires December 31, 1970. We are now proposing to revise and extend it for another three years. Before it is necessary to extend it beyond 1973, I expect it will be reconsidered in the light of more general policies and programs in respect of pollution.

We have also decided in principle that we should grant a similar special allowance in

respect of structures and equipment acquired after tonight primarily for the purpose of preventing or reducing air pollution.

Some hon. Members: Hear, hear!

Mr. Benson: In the case of air pollution, some need to minimize smoke and fumes, however, has usually been taken for granted and regarded as a normal cost of production, while other measures are undertaken in part to improve efficiency or to produce saleable by-products. Therefore, I wish to consider the details that should be included in a regulation on this subject and would welcome receiving the views of those concerned.

This concludes the proposals and announcements I wish to make. Since the proposed measure in regard to consumer credit will reduce consumer expenditures, it will also reduce our various revenues by about $50 million during this coming fiscal year. I do not expect the other proposed changes to have any significant effect on our revenues this coming year. Taking the $50 million into account will reduce our budgetary revenues in 1970-71 to $13,150 million and reduce the prospective budgetary surplus to $250 million.

At this point, Mr. Speaker, I would ask permission of the House first to insert in *Hansard* a small table giving the estimated yield of our main categories of budgetary and old age security revenues for 1969-70 and for 1970-71 and secondly, as in recent years, to include with the Budget Papers, as an appendix to *Hansard,* tables and explanatory notes giving the budget figures for 1968-69, 1969-70 and 1970-71 in terms of the national economic accounts in the form published by the Bureau of Statistics, together with a reconciliation with the budgetary accounts.

Mr. Speaker: Is the minister's request agreed to?

Some hon. Members: Agreed.

[*Editor's note: The tables above referred to are as follows:*]

BUDGETARY AND OLD AGE SECURITY REVENUES
($ million)

	1969–70 Preliminary	1970–71 Forecast
Budgetary Revenues		
Personal Income Tax	4,592	5,290
Corporation Income Tax	2,605	2,480
Non-resident Tax	240	255
Estate Tax	105	115
Customs Duties	815	835
Sales Tax	1,725	1,755
Other Duties and Taxes	905	1,000
Total Taxes	10,987	11,730
Non-tax Revenues	1,283	1,420
Total Budgetary revenues	12,270	13,150
Old Age Security Revenues		
Personal Income Tax	1,027	1,170
Corporation Income Tax	227	230
Sales Tax	569	600
Total Old Age Security Revenues	1,823	2,000

FEDERAL GOVERNMENT REVENUE AND EXPENDITURE ON NATIONAL ACCOUNTS BASIS

	1968–69	1969–70 Preliminary	1970–71 Forecast
		(millions of dollars)	
A. *Revenue*			
1. Direct taxes, persons	4,455	5,725	6,575
2. Direct taxes, corporations	2,025	2,090	2,065
3. Withholding taxes	205	240	255
4. Indirect taxes	3,830	4,035	4,220
5. Investment income	990	1,180	1,395
6. Employer and employee contributions to social insurance and government pension funds	895	1,040	1,110
7. Total revenue	12,400	14,310	15,620
B. *Expenditure*			
1. Goods and services: defence	1,845	1,845	1,875
2. Goods and services: others	2,775	3,280	3,640
3. Transfers to persons	3,430	3,680	4,010
4. Interest on public debt	1,445	1,660	1,785
5. Subsidies	395	450	475
6. Capital assistance	65	105	115
7. Transfers to other levels of governments	2,525	2,720	3,590
8. Total expenditure	12,480	13,740	15,490
C. Surplus (+) or Deficit (−)	− 80	+ 570	+ 130

FEDERAL GOVERNMENT REVENUE

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1968–69	1969–70 Preliminary	1970–71 Forecast
		(millions of dollars)	
1. Budgetary revenue	10,191	12,270	13,150
Deduct:			
2. Budgetary return on investment	− 695	− 801	− 900
3. Post Office revenue	− 311	− 353	− 375
4. Other non-tax budgetary revenues	− 199	− 129	− 145
	(−1,205)	(−1,283)	(−1,420)
5. Corporate income tax, excess of accruals (+) over collections (−)	− 188	− 742	− 645
Add:			
Extra budgetary funds revenue:			
6. Old age security taxes	1,626	1,823	2,000
7. Unemployment insurance fund—employer-employee contributions	435	500	515
8. Government pension funds—employer-employee contributions	460	540	595
9. Prairie Farm Assistance Act levies	8	6	6
	(2,529)	(2,869)	(3,116)
Government investment income:			
10. Interest on loans, advances and investments	395	475	550
11. Interest receipts on social insurance and government pension funds	255	285	400
12. Profits before taxes (net of losses) of government business enterprises	340	420	445
	(990)	(1,180)	(1,395)
13. Miscellaneous[1]	83	16	24
14. Total Revenue, National Accounts Basis	12,400	14,310	15,620

[1]These miscellaneous adjustments represent revenues from miscellaneous direct and indirect taxes and adjustments for the supplementary period. In the National Accounts, revenues in the supplementary period are shifted into the following fiscal year.

[Mr. Speaker.]

FEDERAL GOVERNMENT EXPENDITURE

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1968-69	1969-70 Preliminary	1970-71 Forecast
		(millions of dollars)	
1. Budgetary expenditure	10,767	11,915	12,900
Deduct:			
2. Budgetary transfers to funds and agencies[1]	− 716	− 776	− 737
3. Post Office expenditure	− 342	− 350	− 396
4. Deficit of government business enterprises	− 82	− 88	− 85
5. Reserves and write-offs	− 157	− 297	− 36
6. Purchase of existing capital assets	− 11	− 11	− 11
7. Budgetary revenue items offset against budgetary expenditure[2]	− 84	− 88	− 92
	(−1,392)	(−1,610)	(−1,357)
Add:			
Extra budgetary funds expenditure:			
8. Old age security benefits	1,541	1,730	1,905
9. Unemployment insurance benefits	459	520	610
10. Government pensions	159	165	205
11. Prairie farm emergency payments	7	7	7
	(2,166)	(2,422)	(2,727)
12. Expenditure of government funds and agencies[1]	702	853	827
13. Miscellaneous[3]	237	160	393
14. Total expenditure, National Accounts Basis	12,480	13,740	15,490
15. Surplus (+) or deficit (−), National Accounts Basis	− 80	+ 570	+ 130
16. Surplus (+) or deficit (−), budgetary basis	− 576	+ 355	+ 250

[1]In the national accounts, budgetary appropriations to various funds and agencies are replaced by the expenditure actually made by these funds and agencies.

[2]This item mainly consists of revenue from sales of goods and services by the government. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

[3]This item includes the supplementary period adjustment. In the national accounts, expenditures on goods and services in the supplementary period are divided between adjacent fiscal years; most other expenditure are shifted entirely to the next fiscal year.

Mr. Benson: Mr. Speaker, the reduction of $50 million in our revenues will also increase our net cash requirements for the year 1970-71 to some $525 million, excluding amounts that may be required to finance foreign exchange transactions.

While our prospective cash requirements for the next fiscal year are higher than those of the fiscal year now closing, I am confident they can be met in a manner consistent with our anti-inflationary policy. We shall, of course, have to enter the market from time to time if only to refund our maturing debt. Our cash balances at the beginning of the year will be about a billion dollars and can safely be reduced somewhat during the year. It should be possible again to raise funds by a Canada Savings Bond campaign.

I would expect that these factors, together with the improved state of the bond market and persistence in our anti-inflationary measures will make possible a smooth and successful debt management program this coming fiscal year.

In concluding, Mr. Speaker, I would like to emphasize several simple points. First, we must continue with firm measures to accomplish our purpose in checking the rise in prices. This is essential in itself to convince those in the capital market, the labour market and the markets for goods and services that they should not expect inflation to continue year after year. Second, we must continue to do what we can to recognize the differences in the various parts of our country and the several sectors of our economy. Third, we must be flexible in our ability to respond to changes in the economic situation. The record of recent years proves that Parliament and the government can act promptly when that is necessary to meet new or changing circumstances.

The Budget—Hon. M. Lambert

• (8:50 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in his remarks toward the end of his budget address, the minister when referring to tariffs spoke of live turkeys. I think he has one with this budget—it is a real turkey.

Some hon. Members: Oh, oh!

An hon. Member: A cold turkey.

Mr. Lambert (Edmonton West): Somehow or other we now come back to the philosophy enunciated by the previous Minister of Finance that we would have two budgets a year. Then the present Minister of Finance (Mr. Benson) said, "Oh, no; we are going to come back to one budget a year". So now we are back to two a year.

Mr. Benson: No.

Mr. Lambert (Edmonton West): I am glad to hear the minister say that, because it will kill the 3 per cent surcharge.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Unless there is another budget—and obviously the white paper will not come into force by January 1, 1971—the 3 per cent surcharge is gone for some time.

In any event, the minister indicated in a variety of ways that the Canadian economy is on a dangerous knife-edge. He pointed out, quite rightly, that there is a nagging problem of growing unemployment and no real signs of abatement in price increases. On the second page of his speech the minister talks about reductions in business capital expenditures. Some have been postponed, others have been dropped. I am referring to 1969. But the effect of those decisions will become evident in 1970 and 1971. This is what we are concerned with.

There has been a fall in profits per unit of output which has accompanied this change in investment plans. Manufacturers' inventories have increased. Housing starts, which were at a high level in 1969, have now declined dramatically. If hon. members across the way cast their minds back to the conditions in 1956 and mid-1957, they will remember there was at that time a serious accumulation in manufacturers' inventories. We saw a decline in investment plans, and housing in mid-1957 came to a complete stop.

An hon. Member: Now we have pollution.

[Mr. Benson.]

Mr. Lambert (Edmonton West): Those were the conditions, and the hon. member for St. Boniface (Mr. Guay) might as well cast his mind back to that time. In 1956-57 we were on the eve of a period of recession. The symptoms were all there in 1956 and 1957, and all but those who wanted to be blind could see what was happening. And it did happen.

This is why at this stage, when the government and the country are fighting inflation, we are caught with these nagging symptoms of malaise in the Canadian economy. How ironic it is, Mr. Speaker. I know that this is a joke for many lighthearted people who have never had to face one of these problems before, but how ironic it is that today all Canadians should be forced to concentrate their efforts on fighting inflation after the sloth and idleness in the past four or five years by this administration and its predecessor.

Many of the members of the present administration were members of the preceding one. They had it pointed out to them on many occasions from all sides that because of the lack of priority in spending programs, its unilateral action with regard to certain joint programs would force the federal government and the provinces into a straitjacket. This is what we have now. The minister speaks about it on page 5 where he says:

> This is the fundamental problem responsible for financial pressures upon governments.

Further on on the same page he says:

> My colleague has drawn the attention of hon. members to the important part of the projected expenditure increase which consists of the items we share with the provinces and over whose magnitudes we do not have much control.

This is precisely so. The tax structure committee told the conference two weeks ago that the federal government and the provinces will face an additional expenditure of $1.75 billion by 1972 as a result of four joint programs, three of them rammed willy-nilly down the throats of the provinces. We are fighting the wrong war at the present time, but it is a battle caused by the maladministration of those on the other side of the Chamber.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): The monetary and fiscal measures used so far by the government have brought us to the present point, growing unemployment but no real effect on prices and interest rates. As a matter of fact, it is rather ironic—

An hon. Member: What would you do?

Mr. Lambert (Edmonton West): What would you do? It is the government that has caused this.

Some hon. Members: Hear, hear!

• (9:00 p.m.)

Mr. Lambert (Edmonton West): It is rather ironic that while the government and the Prices and Incomes Commission were holding their conference a few weeks ago, a number of trust companies increased the interest rate on their deposit certificates. Was that a downturn for interest rates? Not at all. As a matter of fact, that was an indication to the government that the public is not yet satisfied that there has been control of inflation. So now we are faced with the highest peacetime taxes merely to meet expenditures—not to reduce the national debt, not to fight inflation, but merely to meet expenditures.

This year expenditures go up some $900 million. Last year they went up $900 million. That is not controlling expenditures. If there were to be control, if there were to be a real fight against inflation by fiscal measures, we would be taxing to defeat inflation, not merely to catch up with the bills that are coming in to the government. In addition to that the minister proposes certain consumer credit controls on certain types of credit transactions, based on amount and the length of repayment. But what are we going to get, Mr. Speaker? The main effect of these consumer credit controls is going to be on durables, automobiles, furniture, white hardware, refrigerators, freezers, washing machines, dryers, ironers, television sets, motorized ski vehicles, boats and trailers, whether they are of the camping or living accommodation type. And where are most of these things made, Mr. Speaker? They are made in Ontario and in Quebec. All of this is designed to reduce consumption of them. The only thing that is at the end of that road is unemployment.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): That is the only thing that is at the end of that road in those industries, depending on the effectiveness of these controls. We know that last year Ontario felt the attention of the Minister of Finance in his June Budget. It was one of the areas selected for cooling off certain types of construction. That is now being continued. But look at Quebec. Last time we were told that there was too much unemployment in Quebec, and that this was not the area in which to impose controls. As a matter of fact, it was indicated that the minister's colleague, through regional expansion and development, would pay particular attention to encouraging development in the province of Quebec. If we look at the amount of loans, and grants and so forth that we made under this program, Quebec is certainly getting the lion's share of that program.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): That is so. The problem is there.

An hon. Member: Per capita?

Mr. Lambert (Edmonton West): Of course, by far per capita. Now look at what the effect will be of these consumer credit controls. What is manufactured in Quebec in great quantities? Furniture, white hardware—

An hon. Member: Liberals.

Mr. Lambert (Edmonton West): —motorized ski vehicles, boats and trailers. Mr. Speaker, I would be prepared to wager that the effect of the consumer credit controls, in so far as they will be effective in reducing consumption in these lines I have mentioned, will be worse in the province of Quebec than in Ontario. So we have the paradox of one minister working to develop the province and the other minister clamping down on it.

The Minister of Finance had an opportunity to assist the province of Quebec and certain parts of Eastern Ontario. There was a recommendation with regard to tariffs on the materials used by textile manufacturers in this country, to allow them a reduction in tariffs in order that they might compete more effectively with imported goods. And what was done? Nothing.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): This would have cost the minister relatively little. After all, last June he supported all of the tariff cuts negotiated under the Kennedy Agreement.

Mr. Benson: And you are against it?

Mr. Lambert (Edmonton West): No, no. This is what the minister did in order to assist in the fight against inflation, but when we are dealing with unemployment in particular provinces, in eastern Ontario and in Quebec, particularly so far as textiles are concerned, here was a golden opportunity to do something and nothing was done.

The Budget—Hon. M. Lambert

Mr. Speaker, there is a strange paradox in the tables put forward by the minister. He estimates an increase of some $20 million under customs tariffs revenue for this coming year, despite the major reductions in tariffs contained in the last budget, which presumably were going to reduce the price of goods to the consumer. Yet we are now going to see more customs revenues.

Mr. Benson: That is prosperity.

Mr. Lambert (Edmonton West): Prosperity nothing! That merely means more imports. It means a further increase in imports in competition with Canadian industry. That means more unemployment. Lower tariffs rates mean we will have a much greater volume of imports. That is a simple conclusion—a greater volume of imports.

Mr. Benson: And exports.

Mr. Lambert (Edmonton West): But strangely enough, when you bring in imported goods you bring in the other fellow's inflation. With the other chap's imported goods you bring in his inflation, so to the extent that it fights inflation this move is not as effective as it could be, or as it may be thought to be. Of course, there is an old saw that nothing is entirely bad, and I would commend the minister without reservation with regard to the provisions in the budget for an extension of the taxing provisions concerning water pollution and the introduction of some measures as yet undefined for air pollution control. I think there may be some problems with regard to air pollution control incentives, but I feel the minister deserves full marks in this respect.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): But having said that, Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): —I think this budget has one major omission. I know it has many, but the major one is that there has been no provision at all for the lower income groups.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): And I mean particularly those old age pensioners who qualify for a guaranteed income supplement.

[Mr. Lambert (Edmonton West).]

• (9:10 p.m.)

Mr. Basford: You want to tax their clothing?

Mr. Lambert (Edmonton West): The Minister of Consumer and Corporate Affairs (Mr. Basford) wants to wake up.

An hon. Member: He has to grow up before he can wake up.

Mr. Lambert (Edmonton West): I want to suggest, Mr. Speaker, that if there had been an increase in the GIS of, say, $200 or $300—after all, the government chairman of the committee on poverty announced yesterday as a matter of certainty that there would be an increase—you are not giving him a very good track record for predictions. At least about 50 per cent of old age pension recipients receive, on the present scale, some portion of GIS. Now the 2 per cent increase that they get under the old age security formula is not sufficient to take care of what has happened in regard to the cost of living. In all seriousness I would suggest to the minister, and I know he is fighting inflation, that these are not the people who are causing it. He said this himself in the Finance Committee the other day. This would be a minor transfer—I am not talking about many millions of dollars—to those recipients of GIS to give them some relief.

The minister's proposals with regard to tax exemptions in the lower income groups are at least two years away. Let the minister sit down with pencil and paper and a calendar and study the mechanics of this measure, and he will see that considering the time needed to get legislation drafted, into this House, considered in the other place, and so on, it cannot be effective by January 1 next. That is what I am considering, to give this relief to these people between now and 1972. The same thing could be done with what you would call the working poor through a form of tax credit. My leader has talked about this and we have given figures on it. The minister has it right there and he is talking about budgetary surpluses—

An hon. Member: He doesn't understand that.

Mr. Lambert (Edmonton West): With $150 million to $175 million we could take care of most of the proposals of which he has spoken. I am not going to complete my remarks, Mr. Speaker, but I just want to finish with this point: The hon. member for Calgary South

(Mr. Mahoney), the seer of the Prairies, the land where the hot winds blow, makes a remark but I shall go on. If we analyse the budgetary surplus for this year, we will see that it is composed of a lot of one-year windfalls.

Mr. Benson: What about next year?

Mr. Lambert (Edmonton West): First of all there was a hurry-up or advance in corporate tax payments. If my memory serves me right, that accounts for about $200 million, and that is only for last year. Then let us look at that portion of the social development tax which was not expended for medicare, part of the year in the province of Ontario, a part for the province of Alberta, all of the year for New Brunswick, all of it for Prince Edward Island and all of last year, plus until next July for the province of Quebec. These are moneys which are not being spent for the purpose for which they were collected. If I were able to collect taxes and not spend them, of course I could build up a surplus. But as soon as these programs come into force in the provinces we will see what happens to the surplus and if there has to be a further tax increase. Of course there has to be. The minister has a built-in tax increase of at least $600 million in his white paper, on his figures and, on figures equally as trustworthy, up to double that amount. Even if we put it half way between, we get to $900 million additional taxes by the end of five years.

Mr. Speaker, may I adjourn the debate?

On motion of Mr. Lambert (Edmonton West) the debate was adjourned.

On motion of Mr. Olson the House adjourned at 9.19 p.m.

BUDGET PAPERS

presented by
the Honourable Edgar J. Benson, M.P.,
Minister of Finance
for the information of Parliament
in connection with the Budget
for 1970-71

FOREWORD

The purpose of these Papers is twofold:

1. to present a general economic review of 1969, bringing together in one place and in convenient form some of the more comprehensive indicators of economic conditions prepared by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies, together with some comments;

2. to present a preliminary review of the Government Accounts for the fiscal year ending March 31, 1970.

PART I

ECONOMIC WHITE PAPER FOR 1970

PAGE

List of Charts 4758

The Highlights of the Year 1969 4759

The External Environment 4761

Prices 4764

Employment, Output, Productivity and Unit Costs 4766

Spending and Financing by Sector 4774

- Personal sector 4774
- Housing sector 4776
- Business sector 4778
- Government sector 4782
  - A perspective on the government sector 4782
  - Current developments: the net position 4784
  - Revenues of governments 4786
  - Expenditures of governments 4787
  - Government financing 4788
  - Government of Canada cash requirements 4788
- Non-resident sector 4790

Financial Markets 4795

- The banking system 4795
- Other financial institutions 4798
- Securities markets 4799

Economic Prospects for 1970 4802

Index to Reference Tables 4805

The tables, charts and figures quoted in this paper are based upon data provided by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies that had been released prior to February 4, 1970.

21774—24

LIST OF CHARTS

Chart		Page
1	Base Wage Rate and Annual Price Changes	4760
2	International Comparison of Consumer Prices	4762
3	Consumer Price Indexes	4765
4	Changes in the Labour Force	4767
5	Average Annual Percentage Increase in Total Employment 1965–1969, Canada and by Region	4768
6	Unemployment Rates by Region	4770
7	Regional Unemployment Rates as a Ratio to the Canada Average	4771
8	Changes in Output, Employment and Output per Employee	4772
9	Indexes of Labour Income Per Unit of Output and Corporate Profits Per Unit of Output	4773
10	Residential Construction	4777
11	Business Capital Outlays by Region: Percentage Share of Canada Total	4779
12	Saving and Investment of Non-financial Private Business Corporations	4781
13	Government Revenue and Expenditure	4785
14	Balance of Payments—Current Account	4791
15	Canada's Balance on Current Account	4792
16	Canadian Dollar in United States Funds	4794
17	Assets of Selected Financial Institutions	4796
18	Selected Interest Rates, Canada	4797
19	International Interest Rate Comparisons	4801

PART I

ECONOMIC WHITE PAPER FOR 1970

THE HIGHLIGHTS OF THE YEAR 1969

In 1969, consumer prices rose more rapidly than in any year since the Korean war inflation of 1951. Inflation has been the chief concern of public opinion and national policy throughout the year and continues to have priority.

Both fiscal and monetary policy have been restrictive in the past year. The strategy has been to slow the growth in demand by government and by the private sector. The retarded growth in demand is expected to make it more difficult to pass increases in costs through to final buyers. This difficulty in turn is expected to diminish the willingness and ability of producers to accept increases in costs. The Prices and Incomes Commission has been developing its program to assist in restraining increases in costs and prices. If cost increases can be restrained until the growth of productivity establishes adequate support for the present high levels of income, and if price increases can be restrained while the remaining demand pressures die out, then orderly, balanced growth of supply and demand without price increases may proceed. This way of subduing inflation permits an adjustment that is more equitable, since all share in it, that is quicker and that affords a higher level of total real output than the alternative way of very severe restrictions of demand, which force some members of the labour force to accept a loss of earnings for a period of time, and which bear more heavily on the less prosperous regions of the country.

This strategy takes time to work. One may distinguish two phases in it: the phase of reduced growth of demand, the holding phase, and then the pay-off phase in which the increases of prices and costs moderate. The record for 1969 shows that considerable progress was made in the first phase. By the end of the year, however, it was clear we had not entered the second phase.

The growth in Gross National Expenditure in real terms, i.e., corrected to eliminate the effects of price increases, diminished over the course of the year. There was real growth; it amounted to 5 per cent. But while in the first half, as compared with the second half of the previous year, it was at an average annual rate of 5.9 per cent, it was only of the order of 2.8 per cent in the second half of 1969, according to the best estimate that could be made at the time of writing.

The index of industrial production, though affected by strikes, declined in the second quarter, and again in the third quarter. In November, the last month for which data are available, a moderate increase occurred.

The growth of the labour force has slowed. Although several factors have been at play here, the slowing is a typical characteristic of the cooling of an overheated economy. Certain marginal workers drawn into the labour force at the height of a boom withdraw when labour demand eases.

There has also been a slowing in the growth of employment. However, because the labour force, too, has been growing more slowly, the unemployment rate for December 1969 was the same as for December 1968.

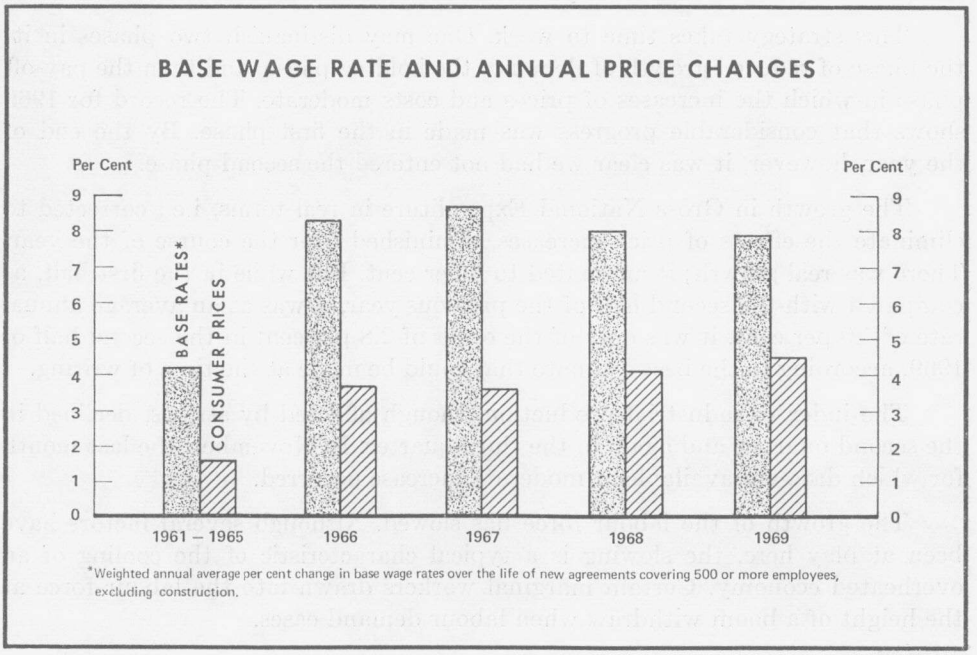
Profits have weakened in the course of the year; in fact, on last reading they were falling substantially after rising vigorously in 1968.

Thus, while there are still some strong forces of demand in the economy, such as the demand for capital structures and equipment, the evidence is mounting of a slowing of the overall growth of demand and a reduction of the capacity to pass cost increases forward.

On the other hand, costs and prices are still rising very rapidly. Wage settlements have on the average exceeded productivity gains by a wider margin than in 1968. The increase in the consumer price index from December 1968 to December 1969 was 4.6 per cent. The average value of the GNE price deflator for 1969 was some 4.3 per cent above that for 1968.

All sections of the economy have felt the effects of price increases. In fact, the data do not reveal any substantial differences in the price averages among regions. However, not all regions have had equally high levels of employment, output or demand for goods and services. The government recognizes these differences and policies have been followed which seek to restrain certain classes of expenditures in areas where these were expected to be particularly strong, while other policies have sought to ameliorate the effects of the general policies of restraint in areas where the inflationary impetus is less marked.

CHART 1



The financial markets absorbed a smaller volume of new issues of bonds and stocks during 1969 than in the previous year. The volume of money and bank credit grew much less rapidly and the liquidity of the banks was sharply curtailed through the operation of monetary policy. The public showed a growing preference for holding financial assets in liquid form. The net consequence of the myriad pressures in the capital markets, emanating from abroad as well as from the actions of the authorities and other domestic lenders and borrowers, was an upward sweep of interest rates to historic peaks. This rise in yields which started in September 1968 continued through the end of the calendar year 1969.

Canada is not unique among countries of the western industrialized world in having to face a menacing erosion of the value of its currency. The malaise is widespread, and we can take some comfort from the fact that our experience in 1969 was not the worst in comparison with some of these countries. The increase in consumer prices in the United States, for example, was of the order of 6 per cent. This fact serves to emphasize how vital it is to maintain the attack on the disease.

The balance of this White Paper contains an elaboration of the economic developments in 1969 in the perspective of the events of recent years, and concludes with a preliminary view about prospects for 1970.

THE EXTERNAL ENVIRONMENT

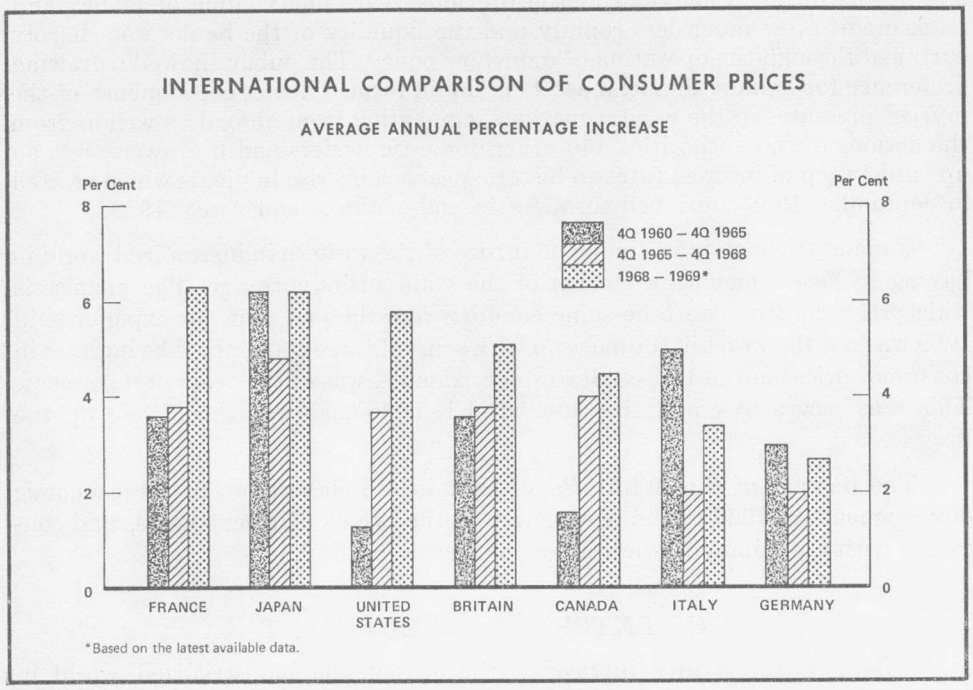
Inflationary pressures intensified throughout the industrialized world in 1969. Consumer prices in most major countries rose at rates between 4½ per cent and 6 per cent. The rises were smaller in Germany and Italy, but in these countries pronounced increases in wage settlements are viewed as the harbingers of accelerated price increases. The rise in prices in the United States was greater than in any year since the Korean war. The moderation hoped for in the North American trend of prices had not appeared by the turn of the year. The pervasiveness of inflation throughout the industrialized world is illustrated in Chart 2.

The volume of world output remained high in 1969, though its growth slowed to about 5 per cent in the OECD countries[1]. This slowing reflected the gradual impact of anti-inflationary policies in North America and Britain and the attainment of capacity production in much of Continental Europe. Fiscal and monetary policies reinforced each other in the fight against inflation in North America and Britain. Elsewhere, countries started tightening credit conditions significantly, not only to restrain demand but also to defend official reserves against the effects of the massive flows of funds during much of 1969 to Germany and, via the Eurodollar market, to the United States. By early 1970, interest rates throughout much of the industrialized world had reached their highest levels in modern times.

---

[1]The members of OECD are: Austria, Belgium, Canada, Denmark, Finland, France, The Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

CHART 2



Despite uncertainties over exchange parities, which prevailed until late last year, world trade continued to grow at a greater pace than expected. Exports of OECD countries were about 16 per cent higher than in 1968, a rate of increase nearly double the average of the previous decade. The war in Vietnam and the U.S. investment boom continued to stimulate burgeoning world trade. However, the major stimulus last year was the economic expansion in Continental Europe and Japan.

Expansion in these areas, during a period of gradual slowing in the North American and British economies, was one major factor behind the better balance in the international structure of current payments which became increasingly evident in the latter part of the year. In Britain, too, the combination of the 1967 devaluation and the subsequent fiscal and monetary restraints brought about a marked improvement in the balance of payments. This appears to bring within reach the British target of a U.S. $1.2 billion surplus on current and long-term capital account during the twelve months ending March 31, 1970, and has enabled a start to be made on the repayment of short-term debt. The United States' current balance showed definite signs of an upturn in the latter half of last year, though it still fell far short of a level comparable to its 1960–67 average of over U.S. $3.2 billion. Japan's rapid economic growth has not yet strained its productive capacity, and indeed, has been accompanied by a relative decline in the Japanese propensity to import. The combination of the French and German parity changes has started to work towards a reduction in their payments

imbalances. The devaluation of the franc in August and the revaluation of the mark last October have been followed by a very substantial reflux of speculative funds from Germany. There has been a fundamental calming in exchange markets and international payments flows in recent months.

The dramatic increases in international trade and capital flows in recent years have been the mark of a growing economic interdependence in the world community. International monetary co-operation has continued to respond to the problems posed by this evolution. Five years of study and negotiations have resulted in approval of a new international reserve asset to supplement gold and U.S. dollars. The decision by the International Monetary Fund to activate U.S. $9.5 billion in Special Drawing Rights during 1970–72 has helped to ensure that international liquidity will expand appropriately to support further growth in world trade and payments. The amount allocated to the 104 participants in the scheme on January 1, 1970, was $3.4 billion, in proportion to their quotas in the IMF; an additional $3 billion will be allocated in each of the next two years. The first year allocation represents a 4.5 per cent increase over present global reserves of about $75 billion. The historic principle accepted in the new SDR scheme is that there should be deliberate control over the world's supply of reserves through a permanent new fiduciary system.

The price of gold in the free market has fallen back to the neighbourhood of the official price of $35 an ounce from its earlier highs of more than $43 an ounce, as a result of renewed confidence that the monetary price of gold will be maintained and because of the very high yields available on alternative investments. Late in 1969, arrangements for the orderly marketing of South African gold were agreed upon under the auspices of the IMF.

The fifth quinquennial review of quotas in the IMF has resulted in proposals to increase their total by 35.7 per cent. This will keep the financial growth of the Fund in line with the increasing demand made on it. The proposed individual quotas reflect members' changing positions in the world economy and maintain an undiminished share of quotas for the less developed nations in the IMF. (The Canadian quota will increase from U.S. $740 million to U.S. $1.1 billion.)

These responses to the problems of the international monetary system improve the prospects for orderly growth of trade. But the pressing problem of inflation remains. While this problem is now widespread, particular importance attaches to its solution in the United States.

In the United States last year the rate of growth of real output slowed down while that of prices speeded up; by the last quarter of the year real output had in fact ceased to grow while price rises showed no clear sign of slowing. In December 1969 the consumer price index was 6.1 per cent higher than a year earlier.

Most components of demand shared in the deceleration of real growth in the second half of the year. The spending of the U.S. federal government on goods and services levelled out, as a result of a reduction of expenditures related to the Vietnam war and of restrictions in other areas of the military budget. State and local governments have encountered increasing difficulty in borrowing. Residential construction expenditures have been declining since early last year,

as restrictive credit policy has made it more difficult for some buyers and builders to raise mortgage money. There has been continued buoyancy in personal spending on non-durable goods and services, but purchases of automobiles and other durable goods softened noticeably in the second half. The advance in retail trade was sluggish, inventories grew and some production cut-backs occurred. After falling sharply in the first half, the ratio of personal saving to income after taxes increased in the latter half of 1969. Surveys at the end of the year indicated a mood of caution among consumers. In real terms, business investment in plant and equipment in the second half of 1969 was running about 7 per cent above the rate in the second half of 1968. Successive surveys late last year showed higher investment intentions for 1970. The explanations offered included fear of higher prices of capital goods.

Productivity in the U.S. economy was no higher in 1969 than it had been in 1968. Average earnings continued to increase at a rapid rate, however, and so wage costs per unit of output rose more rapidly. This development, in turn, was reflected in the high rates of price increase in 1969 and the decline in profits per unit of output. In 1970 negotiations will take place on a large number of key wage settlements.

American fiscal and monetary policies were restrictive in 1969, and the effects could be seen in the decline in the growth of demand and production. As in Canada, the results in terms of moderating increases in prices and costs have yet to become evident.

PRICES

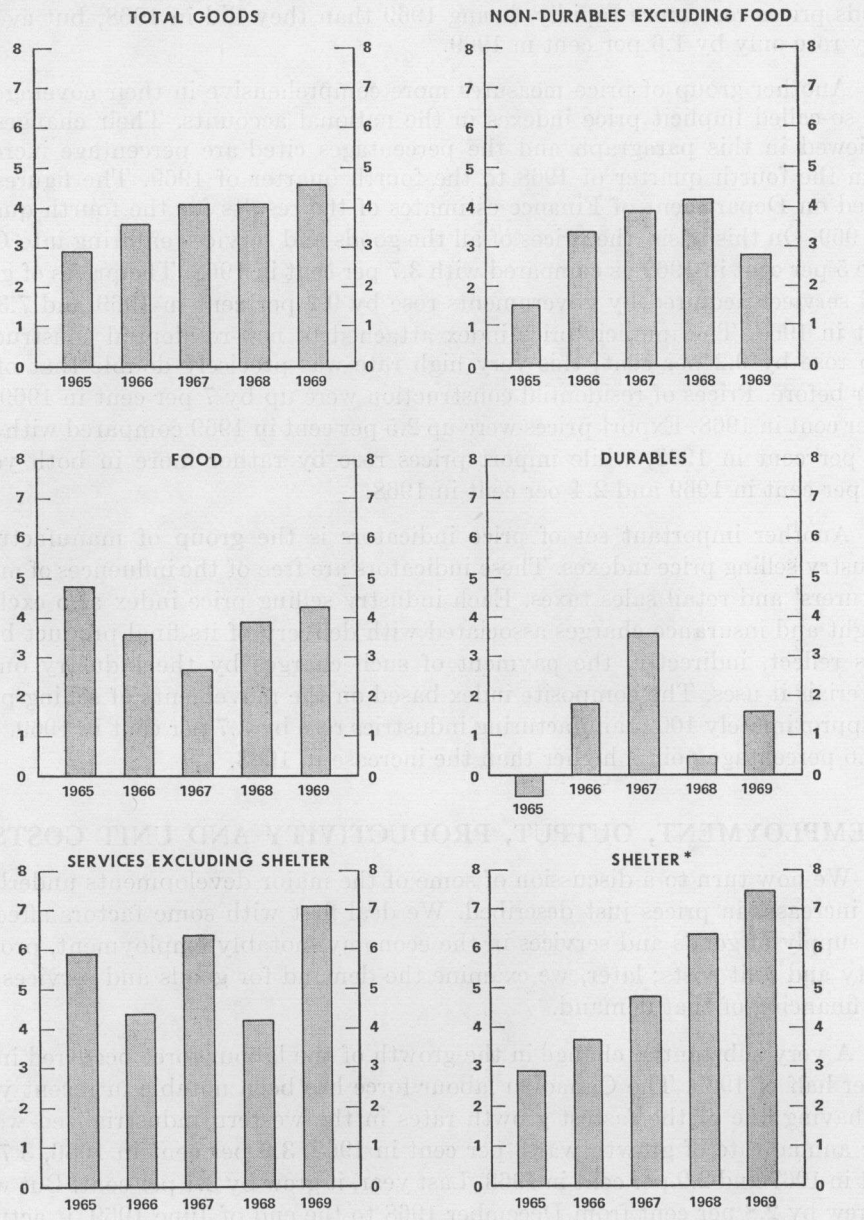
We have stated that inflation was our most pressing economic problem in 1969, and that it is a widespread phenomenon. The purpose of this chapter is to provide more detail on the price movements of the last year, before reviewing the underlying cost and demand developments.

Consider first the consumer price index, one of our most widely used indicators of price trends. Figures in this paragraph relate to the percentage changes from December 1968 to December 1969. In this period the total index advanced 4.6 per cent. Over the previous 12 months the advance was 4.1 per cent. Some items in the consumer's standard selection of goods and services rose in price much more rapidly than others. The cost of shelter increased considerably more than any other component; its advance accelerated sharply in 1969, reaching the very high rate of 7.5 per cent, more than a full percentage point greater than the increase during 1968. Shelter costs include such items as rentals, prices of new houses, and related financing and maintenance. The increase in the cost of services (excluding shelter), reflecting closely the increases of wages in the economy, was almost as great as that of shelter, but the acceleration was very much greater. Service prices were up 7.1 per cent during 1969, which is almost three percentage points higher than in the previous year. Notable among the service items where prices increased rapidly were local transportation, rail fares, theatre admissions, postage, and household help. Shelter costs have a weight of 18 per cent in the total consumer price index; costs of services have a weight of 13 per cent. Food prices, though they moved irregularly during the past

CHART 3

CONSUMER PRICE INDEXES

PER CENT CHANGE, DECEMBER TO DECEMBER, SELECTED COMPONENTS



*Includes prices of such goods as new houses, as well as services.

year, registered a total advance over the year of 4.3 per cent, compared with 3.9 per cent in the previous year. A point of considerable note is that the cost of goods in the consumer's basket, other than food, rose by only 2.5 per cent, which was significantly less than the increase of 3.3 per cent in the previous year. Within this group the slowing down was confined to the non-durables category, which rose by only 2.8 per cent in 1969 compared to 4.2 per cent in 1968. Durable goods prices rose more rapidly during 1969 than they did in 1968, but even so they rose only by 1.6 per cent in 1969.

Another group of price measures more comprehensive in their coverage are the so-called implicit price indexes in the national accounts. Their changes are reviewed in this paragraph and the percentages cited are percentage increases from the fourth quarter of 1968 to the fourth quarter of 1969. The figures are based on Department of Finance estimates of the results for the fourth quarter of 1969. On this basis, the prices of all the goods and services entering into GNE rose 5 per cent in 1969 as compared with 3.7 per cent in 1968. The prices of goods and services acquired by governments rose by 9.2 per cent in 1969 and 7.3 per cent in 1968. The implicit price index attached to non-residential construction also rose by 9.2 per cent; this very high rate was precisely double that of the year before. Prices of residential construction were up by 7 per cent in 1969 and 6 per cent in 1968. Export prices were up 2.5 per cent in 1969 compared with only 0.9 per cent in 1968, while import prices rose by rather more in both years: 3.3 per cent in 1969 and 2.4 per cent in 1968.

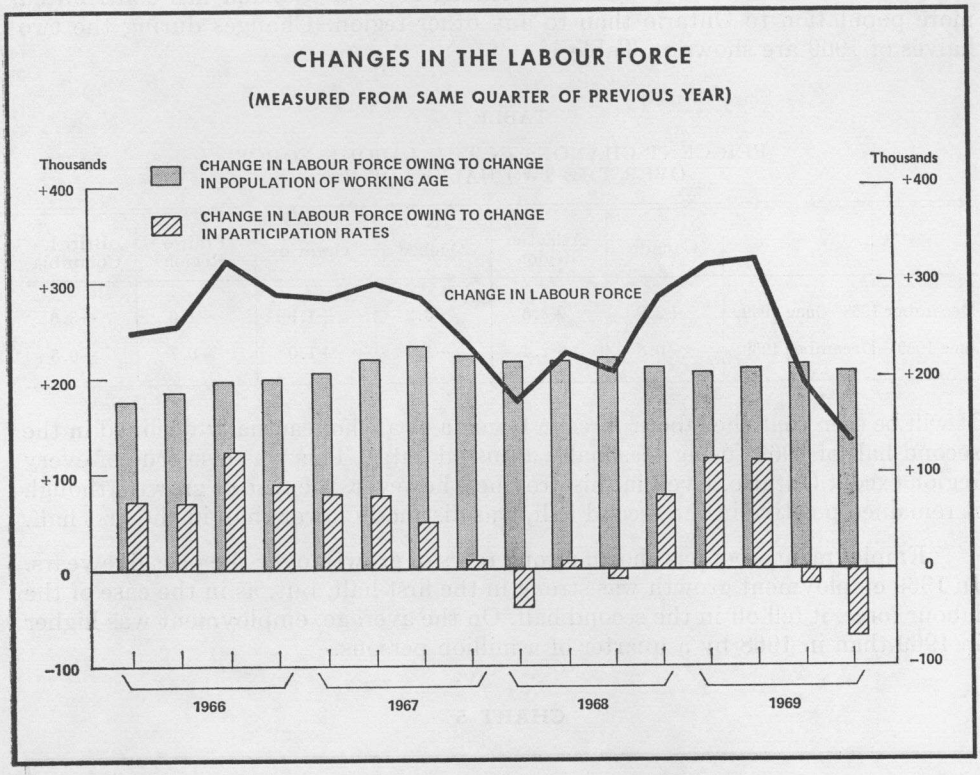
Another important set of price indicators is the group of manufacturing industry selling price indexes. These indicators are free of the influences of manufacturers' and retail sales taxes. Each industry selling price index also excludes freight and insurance charges associated with delivery of its final product but it does reflect, indirectly, the payment of such charges by the industry on the materials it uses. The composite index based on the movements of selling prices of approximately 100 manufacturing industries rose by 3.7 per cent in 1969. This is 1.6 percentage points higher than the increase in 1968.

EMPLOYMENT, OUTPUT, PRODUCTIVITY AND UNIT COSTS

We now turn to a discussion of some of the major developments underlying the increases in prices just described. We deal first with some factors affecting the supply of goods and services in the economy, notably employment, productivity and unit costs; later, we examine the demand for goods and services and the financing of that demand.

A very substantial change in the growth of the labour force occurred in the latter half of 1969. The Canadian labour force has been notable in recent years for having one of the fastest growth rates in the western industrialized world. The annual rate of growth was 3 per cent in 1965, 3.9 per cent in 1966, 3.7 per cent in 1967 and 2.9 per cent in 1968. Last year, it grew by 3.1 per cent. But while it grew by 2.8 per cent from December 1968 to the end of June 1969, it actually declined by 0.8 per cent from June to the end of the year. (Year-over-year changes by months may be found in reference table 26.)

CHART 4



The changes in the labour force may be viewed as due to changes in the size of the population aged 14 and over, on the one hand, and to changes in the proportion of that population which belongs to the labour force—changes in the participation rate—on the other. Changes in the labour force due to each of these components of change are depicted in Chart 4. In this chart, the changes for each quarter are measured against the comparable quarter of the previous year. The changes due to growth in the population have been fairly regular. On the other hand, changes due to movements in the participation rate show a distinct cyclical pattern. The rate fell during the brief slowdown of 1967, and then picked up after the pace of economic activity quickened once again. In 1969, in the second half, with the slowdown in the rate of expansion the participation rate fell off sharply and induced a very pronounced decline in the growth of the labour force. This development, as was observed earlier, was one of the pieces of evidence of a slowing pace of economic activity in Canada during the last half of 1969.

Regionally, the growth of the labour force in the last five years has been greatest in British Columbia and least in the Atlantic and prairie provinces. There is a continuing net migration of population from both of these latter regions. The growth in Quebec has been slightly below the national average, and

the growth in Ontario slightly above. Immigration to Canada has contributed more population to Ontario than to any other region. Changes during the two halves of 1969 are shown in Table 1.

TABLE 1

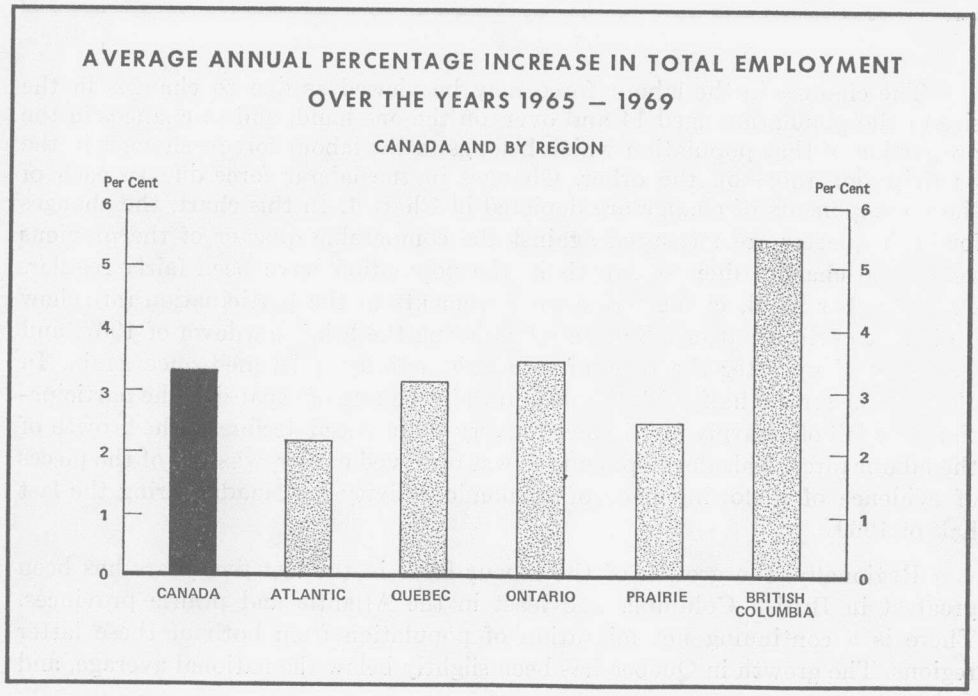
PER CENT CHANGES IN THE LABOUR FORCE OVER THE TWO HALVES OF 1969

	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia
December 1968—June 1969..	+2.8	+3.6	+3.2	+1.9	+1.0	+3.6
June 1969—December 1969..	−0.8	−2.4	−1.6	+1.0	−0.7	−0.5

It will be seen that the labour force in Canada as a whole actually declined in the second half of 1969 (using seasonally adjusted data). This was also true of every region except Ontario. Even in this province, however, the rate of growth, though it remained positive in the second half, was distinctly lower than in the first half.

Employment, too, has shown strong rates of growth over the past five years. In 1969 employment growth was strong in the first half, but, as in the case of the labour force, it fell off in the second half. On the average, employment was higher in 1969 than in 1968 by a quarter of a million persons.

CHART 5



The strong increase in employment over the last five years has been shared, in varying degrees, by all of Canada's regions, as Chart 5 reveals. In British Columbia, with its rapidly expanding economy, the growth rate of employment was almost double the national rate. Employment in Ontario and Quebec grew at about the national average, while growth in the Atlantic and prairie regions was moderately lower. These lower rates perhaps reflect the relatively larger proportion of primary industries with slower rates of employment growth in the industrial structure of these regions. In 1969, with the exception of the prairie region, all regions experienced employment growth well in excess of the previous year. The present state of the world wheat market has had a significant impact on the economies of both Manitoba and Saskatchewan. The deceleration in the growth in employment opportunities in both of these two prairie provinces was not matched in Alberta, where employment accelerated.

Since mid-year the level of employment, like the level of the labour force, has fallen moderately in all regions of the country save Ontario. In Ontario the rate of growth of employment was distinctly lower in the latter half of 1969 than in the first half.

The unemployment rate in Canada in the last two years has been slightly more than a percentage point higher than in 1966, and a little more than half a point higher than in 1967. The averages for the years 1968 and 1969 were virtually the same, marginally lower in 1969 (4.7 per cent) than in 1968. Chart 6 shows the national and regional unemployment rates. Average unemployment rates for 1969 were higher than in 1968 in the Atlantic region and Quebec, lower in Ontario and British Columbia, and about the same in the prairie region. Chart 7 compares the unemployment rates in the regions with the national average in yet another way. In this chart the pattern of development over the period is particularly noteworthy in the Atlantic region where many regional development programs have been intensified in recent years.

During the course of 1969, in Canada taken as a whole, the decline in the labour force overtook the more moderate decline in employment in the last quarter of the year and consequently unemployment rates registered declines. This was also true in all regions save Ontario and British Columbia, where the unemployment rates were somewhat higher than in the third quarter. (See reference table 32.)

Let us now analyze the relationships between output, employment, incomes, costs and prices during the 1960s.

During the first half of the decade, when economic slack was being taken up, real output in the total economy increased more rapidly than in the second half (see Chart 8). Real output per worker increased nearly twice as fast in the early years as it did during the later 1960s. At the same time, average earnings rose more rapidly in the second half of the decade than in the first half, so that wage and salary costs per unit of output rose more in the latter half of the 1960s. Table 2 illustrates these developments.

CHART 6

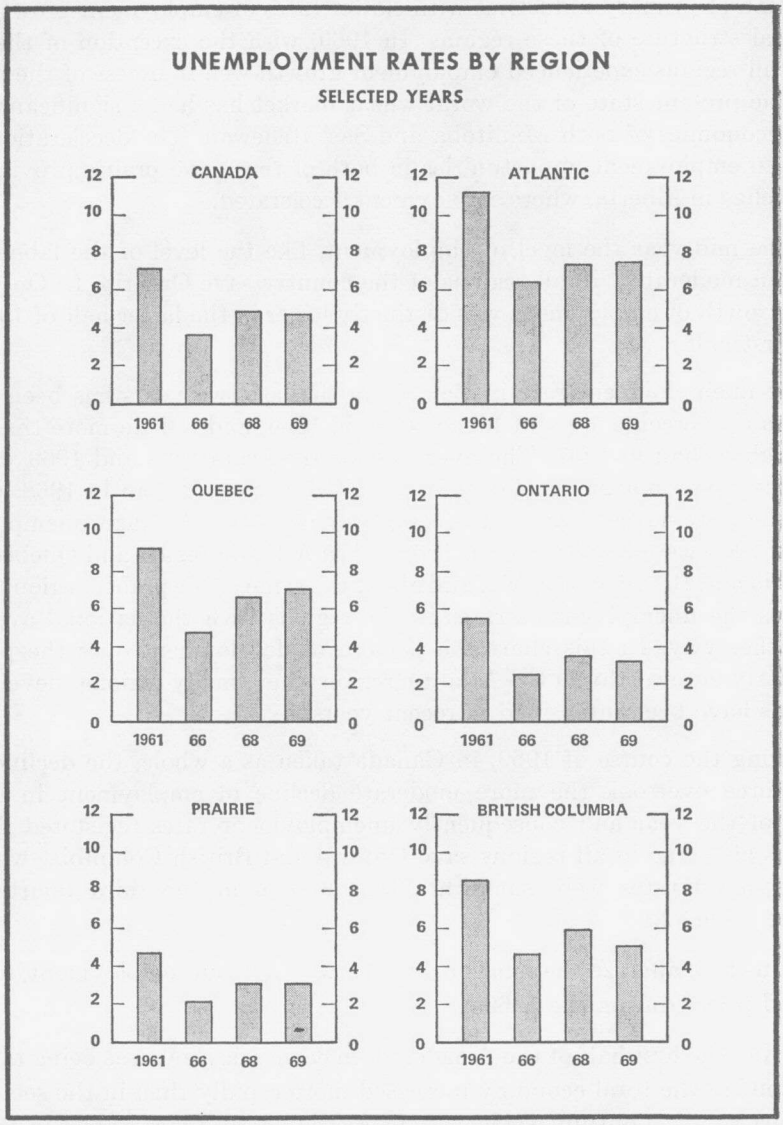

UNEMPLOYMENT RATES BY REGION
SELECTED YEARS
CANADA
ATLANTIC
QUEBEC
ONTARIO
PRAIRIE
BRITISH COLUMBIA
0
2
4
6
8
10
12
1961
66
68
69

CHART 7

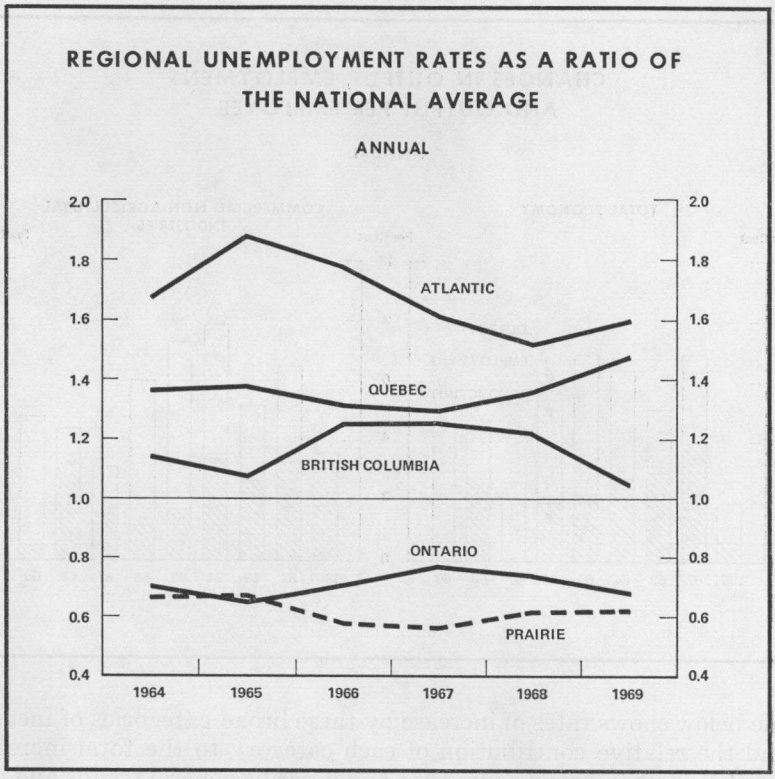


TABLE 2

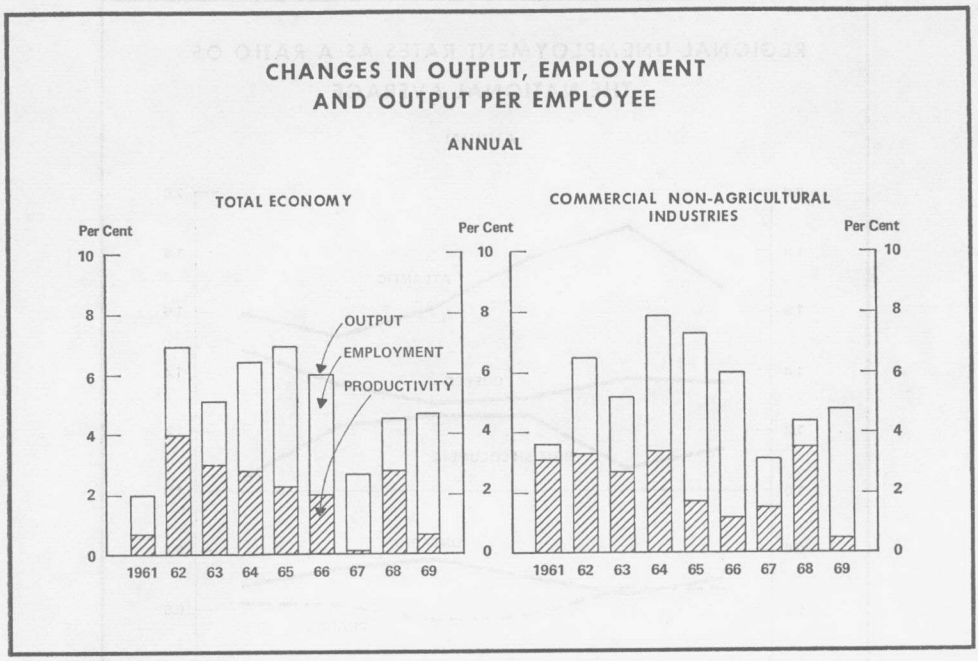
OUTPUT AND LABOUR COST
1961–1969

	Average Annual Percentage Rate of Increase	
	1961–1965	1965–1969
(1) Real output	6.4	5.1
(2) Output per worker	3.2	1.8
(3) Average income per worker	5.3	7.7
(4) Wage and salary cost per unit of output = line (3) − line (2)	2.0	5.8

The increase in prices in the total economy is composed of increases per unit of output in wages and salaries, corporate profits, indirect taxes less subsidies, and other items of income.[1]

[1]Includes rent, interest and miscellaneous investment income, unincorporated net income and capital cost allowances.

CHART 8



The table below shows rates of increase by these broad categories of incomes and costs, and the relative contribution of each category to the total increase. The figures are based upon broad aggregates and describe general trends and developments. More detailed calculations yield figures which are slightly different, but the trends are broadly similar.

TABLE 3

COMPONENTS OF PRICE CHANGE, TOTAL ECONOMY

Average Annual Percentage Rate of Increase

	1961–1965	Contribution to total increase	1965–1969	Contribution to total increase
Wages and salaries per unit of output	2.0	1.1	5.8	3.1
Corporate profits per unit of output	5.9	0.7	0.2	n.s.
Indirect taxes less subsidies per unit of output	4.1	0.5	4.7	0.6
Other incomes per unit of output	0.2	n.s.	1.3	0.3
Total price change	2.3	2.3	4.0	4.0

n.s.—not significant

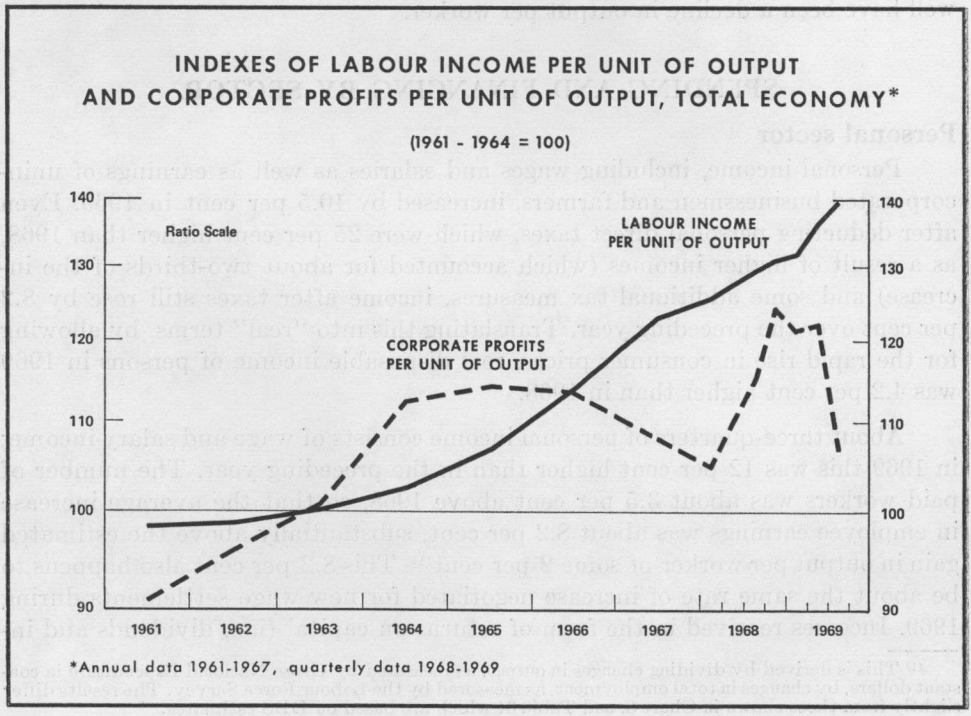
This table shows that in the period 1961-1965 unit wage and salary costs increased at an average rate of 2 per cent annually, slightly less than the average price increase of 2.3 per cent. This accounted for about one-half (1.1 percentage

points) of the total increase in prices. Corporate profits per unit of output rose more rapidly (5.9 per cent per annum) and accounted for about one-third of the total price increase. By contrast, in the period 1965-1969, unit wage and salary costs accelerated to an average annual rate of 5.8 per cent, compared with an annual increase in prices of 4 per cent, and accounted for about three-quarters (3.1 percentage points) of the total rise in prices. During this time there was little change in corporate profits per unit of output.

In the more recent period, 1968-1969, there have been a number of significant developments. In 1968, output per worker in the economy as a whole increased at a rate slightly above the average achieved in the latter half of the decade, while unit wage and salary costs increased by 4 per cent, the same rate as the general price level. In that year there was a substantial increase in profits, so that profits per unit of output rose more rapidly than the general price level. Taken together, the other elements contributing to the change of prices did not increase as rapidly as the general price level. In 1969, however, the increase in output per worker was less than in 1968, while average wages[1] rose faster than in the previous year, so that unit wage and salary costs accelerated to 6.3 per cent. Meanwhile, the increase in profits for the year 1969 as a whole was less than in 1968, and profits per unit of output rose less than the general price level. In the course of the year, total profits began to turn down and unit profits showed a marked decline (see Chart 9).

[1] Total wage and salary bill divided by the number of employees (labour force basis).

CHART 9



For a more precise analysis of costs, movements in the so-called "commercial non-farm sector" are of interest. These industries account for four-fifths of the output in the economy and are subject to fairly accurate output, productivity and unit cost measurements. Variations in agricultural output arising from year-to-year weather differences can bring about changes in total output and costs which obscure underlying trends in the rest of the economy. In addition, it is difficult to measure productivity in the public administration, community and personal services industries. Output in the agricultural and non-profit service industries has therefore been separated from total output to permit analysis of the commercial non-farm sector. Using the concept commercial non-farm real output also permits analysis as between the various goods-producing and service-producing industries in the economy (see reference tables 34 to 38).

Productivity in the goods-producing industries has been growing much more rapidly than in the service-producing industries. While differences in productivity growth may reflect the difficulties of measuring output in the service industries, it is of significance for developments in costs and prices. To the extent that increases in incomes in those industries where productivity is rising rapidly are emulated in industries where productivity gains are smaller, there will be an upward push on total costs. Complete data for 1969 are not yet available, but preliminary information strongly suggests that costs rose much more rapidly in the service-producing sector than in goods-producing industries. This development appears to have been brought about by broadly similar increases in earnings in both groups of industries, at a time when output per worker in the goods sector was increasing at about average rates, and when in the service sector there may well have been a decline in output per worker.

SPENDING AND FINANCING BY SECTOR

Personal sector

Personal income, including wages and salaries as well as earnings of unincorporated businessmen and farmers, increased by 10.5 per cent in 1969. Even after deducting personal direct taxes, which were 25 per cent higher than 1968, as a result of higher incomes (which accounted for about two-thirds of the increase) and some additional tax measures, income after taxes still rose by 8.2 per cent over the preceding year. Translating this into "real" terms, by allowing for the rapid rise in consumer prices, real disposable income of persons in 1969 was 4.2 per cent higher than in 1968.

About three-quarters of personal income consists of wage and salary income; in 1969 this was 12 per cent higher than in the preceding year. The number of paid workers was about 3.5 per cent above 1968, so that the average increase in employee earnings was about 8.2 per cent, substantially above the estimated gain in output per worker of some 2 per cent[1]. This 8.2 per cent also happens to be about the same rate of increase negotiated for new wage settlements during 1969. Incomes received in the form of returns on capital (i.e., dividends and in-

[1] This is derived by dividing changes in output, as measured by Gross National Expenditure in constant dollars, by changes in total employment, as measured by the Labour Force Survey. The results differ slightly from those shown in Chart 8, and Table 34 which are based on DBS estimates.

terest) rose by about the same percentage as total wages and salaries. Transfer payments received from governments also rose at about the same rate. These transfers include not only old age pensions, public assistance, family allowances and veterans benefits, for example, but also grants to institutions such as universities and hospitals. By contrast, incomes of unincorporated businessmen and farmers in total showed little change from 1968. The dominant feature for this group was, of course, the decline in income of farmers. While cash receipts from livestock sales increased, there was a decline in receipts from grain, as lower wheat exports limited the quantity of grain farmers could deliver to elevators, and curtailed their cash receipts from the Canadian Wheat Board. Inventories of wheat were at a very high level. In total, cash receipts from farming declined slightly while operating costs continued to rise. Net income of farmers fell from about $1.7 billion in 1968 to about $1.5 billion in 1969.

By regions, personal income increased more rapidly in Ontario, British Columbia and Quebec than in the other main regions; in the Atlantic region income grew at a lesser rate than elsewhere, while in the Prairie provinces the decline in farm income offset part of the increase in other forms of income.

Canadians increased their spending on consumer goods and services in 1969 at a greater rate than their increase in incomes after taxes. As noted above, income after taxes was 8.2 per cent higher than in 1968. Spending on consumer goods and services was 9 per cent higher than the year before. Accordingly, the ratio of personal saving declined from 7.6 per cent of disposable income in 1968 to 6.8 per cent in 1969. Excluding increases in farm inventories, the personal saving ratio declined last year to 5.7 per cent from 7.1 per cent in 1968; this latter figure was roughly comparable to those of the two preceding years. The decline in the saving ratio appears to have been associated with a smaller accumulation of liquid assets as well as some increase in spending on goods financed by a growth of consumer credit.

Personal spending on services increased more rapidly than did spending on goods. In 1969, spending on services was 10.6 per cent higher than in 1968, while spending on goods rose by about 8 per cent. Part of the difference can be explained by price movements: prices of services (including shelter costs) rose by more than 5 per cent, while prices of all goods increased by about 3 per cent, with the rise in durable goods prices averaging less than 1 per cent. After allowing for different rates of price increase, the volume of goods and services consumed each rose about 5 per cent between 1968 and 1969.

In the latter half of 1969 sales of durable goods levelled off, mainly because of a softening in new car sales. On the basis of preliminary data, car sales in the fourth quarter of 1969 appear to have declined from the third quarter, and sales in December to have fallen below those of one year earlier.

Regional statistics on personal income and spending are still incomplete. The retail sales data show that for the first nine months of 1969 total retail sales in Canada were 7.5 per cent higher than in the same months of 1968. In Ontario and British Columbia, the increases were well above this figure, 9.3 per cent and 9 per cent respectively. In Quebec, the increase was 6.1 per cent, in the prairie region 5.4 per cent and in the Atlantic provinces 4.2 per cent.

In the first quarter of the year, consumer credit granted by the major lenders rose at an annual rate of 20 per cent. This increase decelerated to a rate of 14 per cent in the second quarter and to 9 per cent in the third quarter, which was also the rate reported for October. In November the rate was 2 per cent. Within these totals, there have been some substantial divergences. Chartered banks' consumer loans, which account for about 45 per cent of outstanding credit, grew rapidly by 30 per cent per annum in the first quarter of the year, decelerated to 15 per cent in the second quarter, and showed no gain at all in the third quarter.

The lending activities of sales finance companies accelerated during the course of the year. In the first quarter of 1969 sales finance companies and consumer loan companies increased lending at annual rates of 10 per cent and 11 per cent respectively. By the second quarter the increases had accelerated to 14 and 15 per cent for the two groups and in the third quarter there was a further acceleration to annual rates of 19 and 23 per cent. In November, however, consumer credit issued by sales finance companies declined and that issued by consumer loan companies grew more slowly than in previous months.

At the end of the third quarter of 1969, outstanding consumer credit balances were equivalent to slightly more than 20 per cent of personal disposable income.

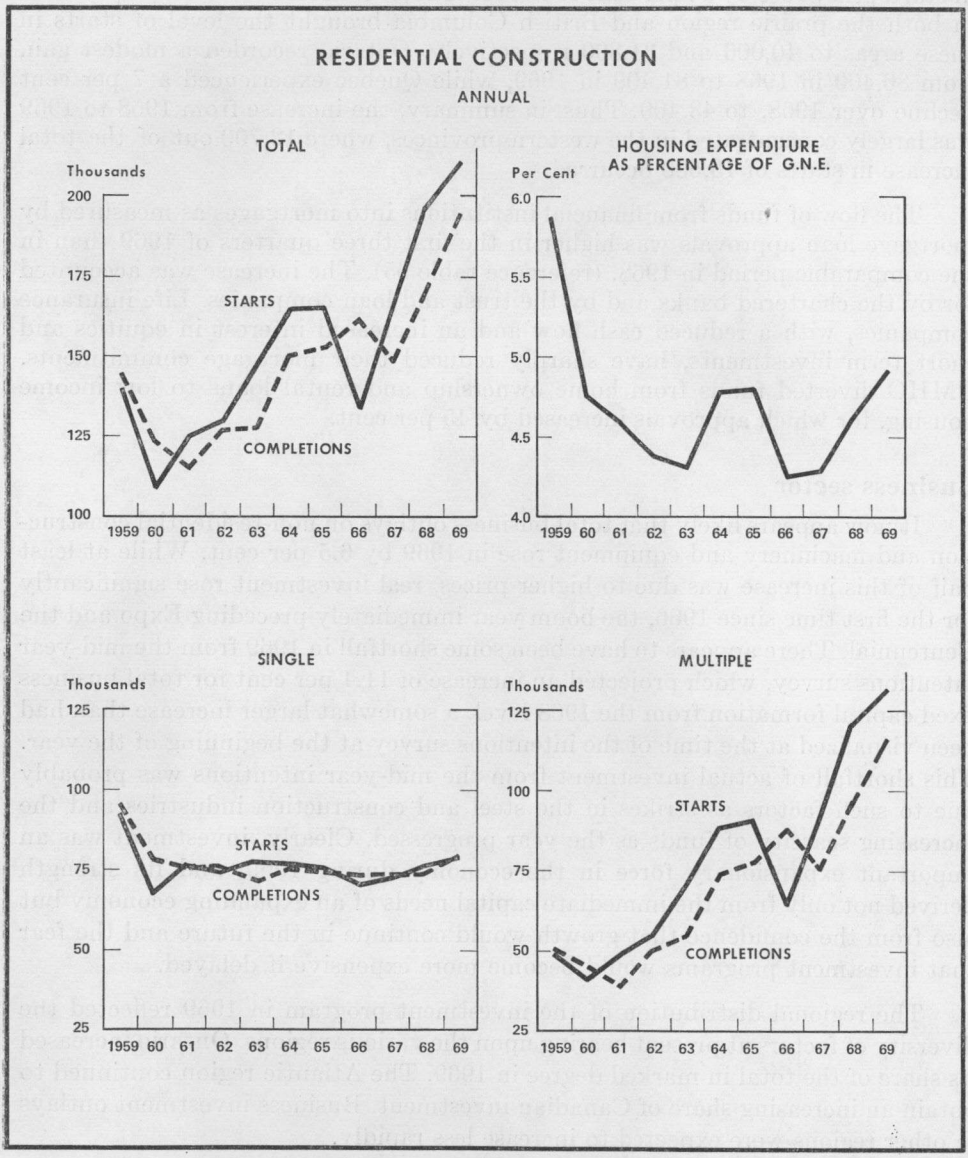
Housing sector

Activity in the housing sector remained high during 1969 despite restrictions of credit and rising interest rates. The underlying demand for housing remained strong, even though effective demand was probably limited by high mortgage rates and the restricted credit availability.

Residential construction outlays totalled about $3.9 billion in 1969. This figure represents an increase of approximately 17 per cent, which is about the same rate of increase as had been achieved in the previous year. However, both of these rates reflect large increases in construction costs. If account is taken of this pronounced rise in construction costs, real outlays are estimated to have increased by 8.8 per cent in 1969 after rising by 10.2 per cent in 1968. This sharp acceleration in housing outlays has made the residential construction sector one of the strongest sectors of the national expenditure accounts, and has raised the ratio of that sector to total GNE to the highest level since 1959. (See Chart 10.)

Housing starts totalled 210,415 units in 1969, up from 196,878 in 1968. In the first quarter of the year starts were exceptionally high for that season, owing to the volume of CMHC direct lending in the last quarter of the previous year and to a surge in the commitment of other funds. By the last quarter of 1969, starts were running well below the levels of the same quarter in the previous year. Almost all of the increase in starts in 1969 was in multiple rather than single housing units. Demographic factors have favored the market for multifamily units, because of the growing relative importance in the population of young families and individuals, who are typically renters, and of older couples, who need less living space. In addition, the cost of apartment renting has been rising much less rapidly in recent years than has the cost of home ownership. In the shelter cost component of the consumer price index, rental costs, which lag

CHART 10



somewhat owing to lease arrangements, have risen 16.4 per cent from 1965 to the end of 1969, as compared with a rise of 34.1 per cent for home ownership costs. This has undoubtedly shifted some of the demand, especially that of the low and middle income groups, from single family to multiple units. Finally, the scarcity and cost of suitable land, and the opportunities for equity participation by institutional lenders, have encouraged the building of multiple dwelling units.

On a regional basis, the Atlantic provinces experienced the largest increase in starts; they rose by 25 per cent to a level of 13,800. An increase of 22 per cent in both the prairie region and British Columbia brought the level of starts in these areas to 40,000 and 31,800 respectively. Ontario recorded a modest gain from 80,400 in 1968 to 81,400 in 1969, while Quebec experienced a 7 per cent decline over 1968, to 43,400. Thus, in summary, the increase from 1968 to 1969 was largely concentrated in the western provinces, where 12,700 out of the total increase in starts of 13,500 occurred.

The flow of funds from financial institutions into mortgages as measured by mortgage loan approvals was higher in the first three quarters of 1969 than in the comparable period in 1968, (reference table 65). The increase was accounted for by the chartered banks and by the trust and loan companies. Life insurance companies, with a reduced cash flow and an increased interest in equities and short term investments, have sharply reduced their mortgage commitments. CMHC diverted funds from home ownership and rental loans to low income housing, for which approvals increased by 45 per cent.

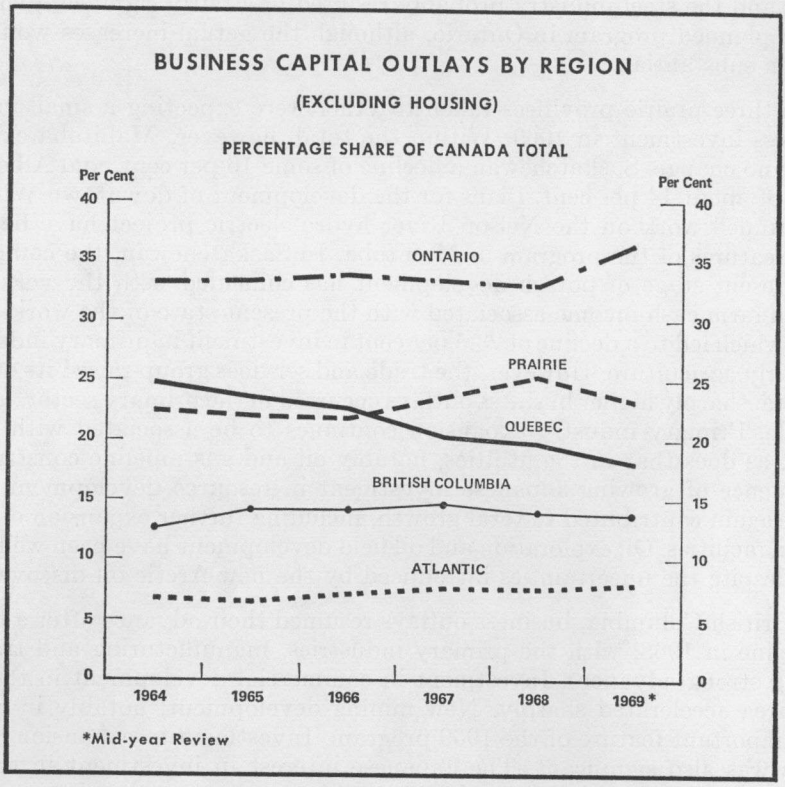
Business sector

It now appears likely that total business outlays on non-residential construction and machinery and equipment rose in 1969 by 6.5 per cent. While at least half of this increase was due to higher prices, real investment rose significantly for the first time since 1966, the boom year immediately preceding Expo and the Centennial. There appears to have been some shortfall in 1969 from the mid-year intentions survey, which projected an increase of 11.4 per cent for total business fixed capital formation from the 1968 level, a somewhat larger increase than had been visualized at the time of the intentions survey at the beginning of the year. This shortfall of actual investment from the mid-year intentions was probably due to such factors as strikes in the steel and construction industries and the increasing scarcity of funds as the year progressed. Clearly, investment was an important expansionary force in the economy during 1969, and its strength derived not only from the immediate capital needs of an expanding economy but also from the confidence that growth would continue in the future and the fear that investment programs would become more expensive if delayed.

The regional distribution of the investment program in 1969 reflected the diversity of factors at present bearing upon the various regions. Ontario increased its share of the total in marked degree in 1969. The Atlantic region continued to obtain an increasing share of Canadian investment. Business investment outlays in other regions were expected to increase less rapidly.

In the Atlantic region, the Churchill Falls development in Labrador has moved forward in accordance with long-term plans, the large-scale financing required being drawn down in accordance with the staged timing of the over-all project. In the manufacturing sector, such large export industries as pulp and paper have added to capacity. Smaller operations with less favorable export prospects, such as fishing and fish processing, have had mixed fortunes and have declined in significance in the capital expenditure picture. Some decline in secondary manufacturing investment has also been associated with a decrease

CHART 11



in government participation, partly reflecting the maturing of some incentive programs offered to industry by provincial governments. The increased costs of borrowing by provincial governments and their agencies have probably also affected the investment activity of some smaller utilities.

Business investment in Quebec was expected to rise by 2 per cent at the time of the mid-year review, following two years of decline from the 1966 peak. A number of rubber, textile and metal manufacturing industries increased their investment significantly, but these gains were all but offset by sharp declines in the petroleum and chemical products industries, where existing major developments were nearing completion and work was barely due to begin on new large projects. There was a continued downward drift in the trade, finance and commercial services sector, while utilities raised their expenditures slightly above 1968 levels.

In Ontario, the trade, finance and commercial services group planned capital outlays of $720 million in 1969, an increase of nearly 23 per cent from the previous year. This amount, nearly one-fifth of business capital expenditures in Ontario, represented 42 per cent of all such outlays in Canada. A large part of the total activity reported was located in major metropolitan areas and involved the construction of new business facilities intended for rental. Manufacturing investment was expected to rise by nearly 40 per cent in Ontario. This represented

85 per cent of the increase for Canada as a whole. Strikes in the construction industry and the steel industry probably resulted in a fairly significant shortfall from the planned program in Ontario, although the actual increases would still have been substantial.

The three prairie provinces taken together were expecting a small increase in business investment in 1969. Within the total, however, Manitoba expected virtually no change, Saskatchewan a decline of some 16 per cent, and Alberta an increase of about 14 per cent. Plans for the development of downtown Winnipeg and continued work on the Nelson River hydro-electric project have been important features of the program in Manitoba. In Saskatchewan, the completion of the present stage of potash development has coincided with the very sharp decline in farm cash income associated with the present state of the world wheat market, which led to a decline of 23.5 per cent in investment in primary industries, particularly agriculture. However, the trade and services group raised its outlays. In Alberta, sharply higher business outlays occurred in the primary sector, utilities and trade. Primary industry expansion continues to be associated with export markets, as does that in the utilities, notably oil and gas pipeline construction. The influence of growing Japanese investment in resource development in the province again contributed to total growth, including further expansion of transportation facilities. Oil exploration and oil field development have been well maintained, despite the uncertainties introduced by the new Arctic oil discoveries.

In British Columbia, business outlays resumed their advance after a temporary decline in 1968, with the primary industries, manufacturing and trade all recording strong advances. Investment in commercial development in the Vancouver area accelerated sharply. New mining development, notably in copper, was an important feature of the 1969 program. Investment in expansion of pulp facilities was also significant. The Japanese interest in investment in resource industries is particularly apparent in this province.

A large proportion of investment is financed by internally generated sources of funds, including retained earnings and capital cost allowances. These sources of funds continued to expand in 1969, but their growth was insufficient to finance the increase in investment. This is apparent in Chart 12, which compares saving with investment in fixed assets and inventories of private corporations. Non-farm business inventories increased by about $500 million in 1969 compared with $473 million in 1968. This does not appear to have been disproportionate to the growth of production and trade during the year. Farm inventories and grain in commercial channels rose by about $400 million in 1969 compared with $239 million in 1968; the main factor here is of course the limited level of wheat exports in a year of substantial crops. Less is known about the other uses of funds of the business sector, including the purchase of land and other existing physical assets, which are not included in investment in the national accounts, and the extension of trade credit. In the circumstances prevailing in 1969, one would expect these uses of funds also to have expanded.

It is certainly clear that the business sector as a whole borrowed substantially more in 1969 than in 1968, despite the increasing cost and difficulty of financing as the year progressed. Table 4 brings together some of the more important and readily available statistics on the sources of funds to Canadian business.

CHART 12

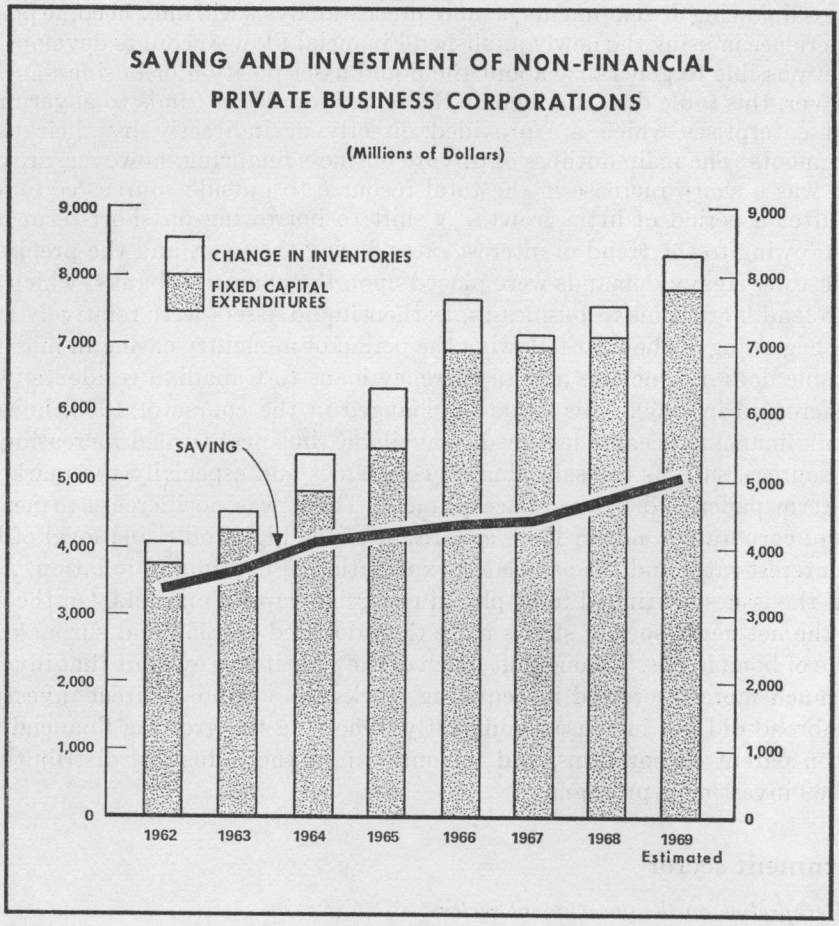


TABLE 4

BUSINESS SECTOR—SELECTED SOURCES OF FUNDS

	1966	1967	1968	first 9 months	
				1968	1969
	(Millions of dollars)				
Increase in chartered bank loans[1]					
Business	398	748	649	527	1,016
Farm and grain dealers	109	383	302	229	335
Increase in IDB loans	44	34	42	29	35
Business financing by sales finance companies[2]	−25	−14	188	−28	−8
Bankers' acceptances	20	−24	−30	2	63
Net new issues of commercial paper[3]	49	85	115	89	331
Net new issues of					
Corporate bonds	1,045	947	783	705	689
Stocks	595	504	570	347	799
Direct investment from abroad	790	691	610	427	470
Total	3,025	3,355	3,228	2,325	3,731

(1) Excludes foreign currency loans to Canadian residents.

(2) Increase in balances outstanding on wholesale finance and retail sales of commercial and industrial goods.

(3) Excluding finance and loan company paper.

This table should be regarded as providing only a general impression of business financing developments; a more precise analysis will only become possible as experience in using the newly published Financial Flow Accounts develops. It is not yet possible to generalize about the liquid asset position of business in 1969. Moreover, this table does not include the major sources of funds to government-owned enterprises which are provided directly or indirectly by their parent governments. The main outlines of private business financing, however, are clear. There was a sharp increase in the total recourse to outside sources of funds in 1969 after a period of little growth. A shift to borrowing on short-term is apparent, owing to the trend of interest rates during the year, and the preferences of investors. Heavy demands were placed upon the chartered banks, which were able to lend large sums to businesses, as their liquid assets were relatively ample at the beginning of the year following the period of monetary easing in mid-1968. The table does not include foreign currency loans to Canadian residents, which also increased in 1969. This situation changed in the course of 1969, however. As bank financing became less readily available, business turned increasingly to other sources, such as the sales finance companies and especially the market for short-term paper and bankers' acceptances. There was no increase in net new issues of corporate bonds in 1969, as a result of the high and rising level of long-term interest rates and the associated expectation of continuing inflation. About half of the issues continued to be placed in foreign capital markets. On the other hand the net new issues of stocks more than doubled in 1969 and surpassed the volume of bond issues. Throughout much of the year it was evident that investors were much more interested in acquiring stocks than bonds. Direct investment from abroad did not increase significantly, reflecting the growing financial pressures on parent corporations, and to some extent the industrial distribution of the 1969 investment program.

Government sector

Perspective on the government sector

The consolidated net general expenditures of all levels of government in Canada have grown from a little less than 29 per cent of GNE in 1960 to close to 32.5 per cent in 1969. The developments over the decade are the result of the responses of the different levels of government to the changing demands upon them, the productivity of the economy, the rising costs of government and the economic stabilization function performed by the Government of Canada.

The real economic growth and stable prices of the early 1960s rapidly increased public revenues relative to expenditure costs. This apparent fiscal dividend, at a time when the demands for education and other public services were multiplying, helped finance a steady growth in the quantity and an improvement in the quality of public services.

The shift to a much higher rate of price increase in late 1964 was more pronounced in the labour-intensive public sector than in the economy as a whole. Over-all expenditure growth, which had averaged 7.6 per cent annually between the fiscal years 1960-61 and 1964-65, grew by over 10 per cent in 1965-66 and by

17.7 per cent in 1966-67. Growth in that year was led by an increase of almost a third in education costs, but all major functions of expenditure increased substantially.

Neither the revenue system nor the capital markets could sustain such rates. While education and welfare grew by a further 25 per cent in 1967-68, and health costs increased by over 15 per cent, the growth of most other areas of expenditure, and particularly the capital-intensive transport and communications sector, was sharply reduced. By 1968-69 the effects of fiscal policies to reduce the growth of public sector demand, limitations on market borrowing, and public reaction to tax increases combined to reduce the growth of spending on health, welfare and education, and maintain the restrictions on other areas. Only public debt charges, reacting to rising interest rates and earlier heavy borrowing, grew substantially faster than in the previous year. This pattern was continued in the 1969-70 spending plans. The spread of provincial medical care insurance plans boosted health spending. However, this largely represented a transfer from private to public spending, rather than a net increase in demand. Salary and wage increases, particularly at the federal and municipal levels, also raised other expenditure growth slightly above the previous year's levels.

TABLE 5

CONSOLIDATED GOVERNMENT EXPENDITURE
Federal, Provincial and Municipal Governments

	1960–61	1964–65	1965–66	1966–67	1967–68[1]	1968–69[1]	1969–70[1]
	(Millions of dollars)						
Health	984	1,604	1,769	2,119	2,450	2,750	3,300
Social Welfare	1,629	2,246	2,385	2,641	3,300	3,700	4,050
Education	1,578	2,450	2,615	3,481	4,350	4,900	5,500
Debt Charges	817	1,147	1,258	1,355	1,450	1,650	1,850
Defence and Veterans	1,830	1,919	1,944	2,056	2,200	2,200	2,250
Transport and Communications	1,452	1,772	2,035	2,260	2,300	2,300	2,300
Other	2,494	3,298	3,903	4,815	5,300	5,800	6,350
Total	10,784	14,435	15,909	18,727	21,350	23,300	25,600
	(percentage annual growth)						
Health	11.1	13.0	10.3	19.8	15.6	12.2	20.0
Social Welfare	8.2	8.4	6.2	10.7	25.0	12.1	9.5
Education	18.6	11.6	6.7	33.1	25.0	12.6	12.2
Debt Charges	−1.6	8.8	9.7	7.7	7.0	13.8	12.1
Defence and Veterans	−0.3	1.2	1.3	5.8	7.0	—	2.3
Transport and Communications	3.6	5.1	14.8	11.1	1.8	—	—
Other	14.0	7.2	18.3	23.4	10.1	9.4	9.5
Total	8.1	7.6	10.2	17.7	14.0	9.1	9.7

[1]Estimated by Department of Finance.

In summary, all sectors of public spending grew in the mid-sixties, but as rapid growth in prices and real demand made it impossible to maintain this pattern, objects of expenditure other than health, welfare and education services were cut back sharply. In the final years of the decade virtually all growth rates

were reduced. As Canada enters the 1970s, expenditures related to its people-oriented policies have been growing for two years at rates which maintain established service levels and meet earlier commitments, while the growth of expenditure in other areas of government has been limited to such an extent that real levels of service may have declined.

Meeting the growing costs of these levels of services has altered both the revenue structure of governments and their patterns of borrowing. Perhaps the most remarkable change has been in personal income taxes. Changes in rates and, to a greater extent, the combination of rapidly rising incomes and a progressive rate structure have increased the relative importance of this source of revenue. In 1960-61 personal income taxes accounted for just over 20 per cent of all government revenues. By 1969-70 the proportion has become over 30 per cent. Over the decade they have increased to 40 per cent from 30 per cent of federal revenues, and changes in tax-sharing arrangements have increased their importance as a source of provincial revenues to 22 per cent from 2 per cent. Consumption taxes, on the other hand, even with regular rate increases throughout the period, accounted for roughly 20 per cent of total revenues throughout the period. Both corporation income taxes, with relatively fixed rates, and municipal property taxes, whose rates have increased but whose tax base has no automatic relation to economic growth, have declined relatively.

Government borrowing expanded rapidly with growing expenditures in the mid-sixties, reaching a peak in 1967 and 1968 and then declining rapidly. Within this general pattern, however, dramatic changes were taking place. In particular, provinces and municipalities increasingly drew funds from the Canada and Quebec Pension Plans after 1966 and from foreign as opposed to domestic market issues.

Current developments: the net position

The net positions of governments on a national accounts basis, excluding transactions of the Canada and Quebec Pension Plans, changed from a deficit of $190 million in 1968 to a surplus of about $1 billion in 1969. The federal government accumulated a surplus of $600 million, from a deficit of $165 million in 1968. The net position of provincial and municipal governments moved from near balance to a $400 million surplus. At the aggregate level, the surplus was mainly the result of a substantial growth in government revenues whereas the rate of growth in public expenditures was restricted to its 1968 level.

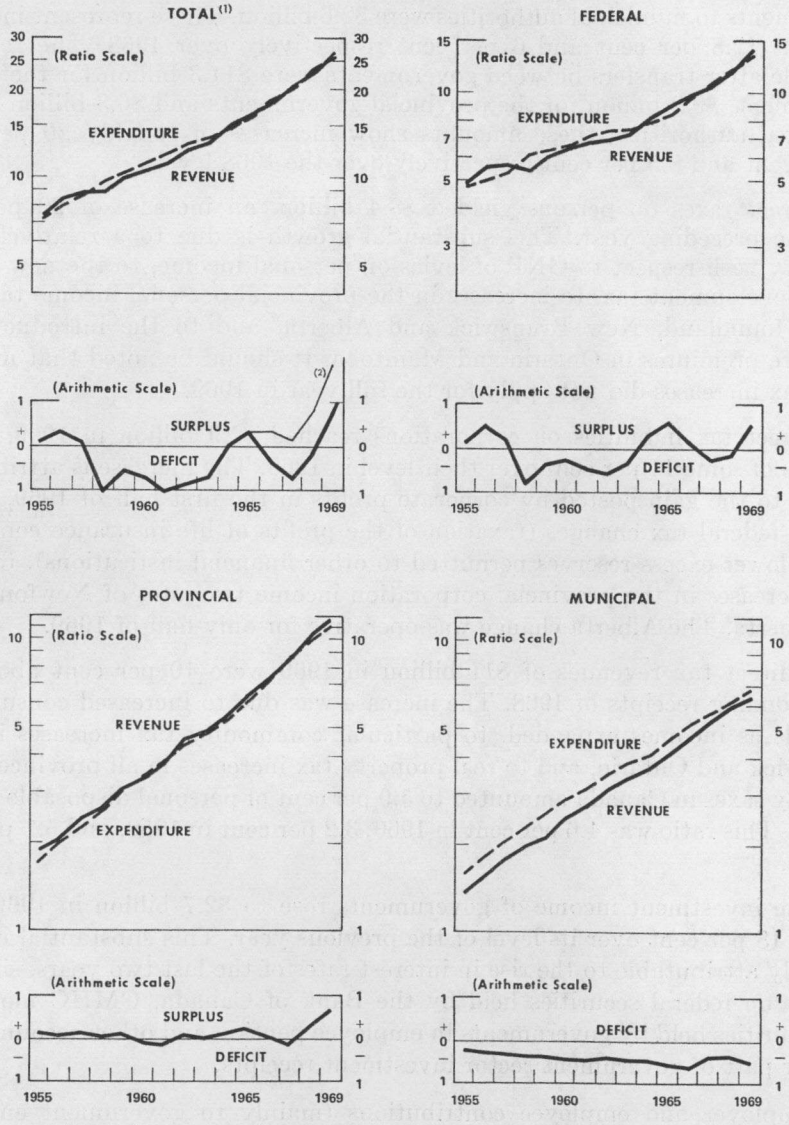
Including the operations of the Canada and Quebec Pension Plans, the position of the government sector, on a national accounts basis, showed a change of approximately $1.3 billion, from a net surplus of $800 million to one of about $2.1 billion. Total receipts of the plans from contributions and investments amounted to $1.1 billion in 1969, an increase of 12.9 per cent over the preceding year. Increases in employment and income per employed person were responsible for this gain. Total benefits paid under these plans in 1969 amounted to $50 million.

CHART 13

GOVERNMENT REVENUE AND EXPENDITURE

NATIONAL ACCOUNTS BASIS

(Billions of Dollars)



Note: 1968 and 1969 – Department of Finance Estimates

(1) Excluding Intergovernmental transfers and Canada and Quebec Pension Plans.

(2) Including Canada and Quebec Pension Plans.

Revenues of governments

Government revenues, exclusive of intergovernmental transfers and Canada Pension Plan and Quebec Pension Plan contributions, rose to $26.8 billion in 1969, an increase of 15.9 per cent over 1968. This increase was the result of a combination of real economic advance, price increases and tax rate increases. During the year federal government transfers to provincial governments and municipal authorities amounted to $2.7 billion, while net transfers from provincial governments to municipal authorities were $2.6 billion. These represent increases of about 12.8 per cent and 6 per cent respectively over 1968. The revenues available after transfers between governments were $11.3 billion for the federal government, $9.2 billion for the provincial governments and $6.3 billion for the municipal authorities; these amounts show increases of roughly 20 per cent, 17 per cent and 8.5 per cent respectively over the 1968 levels.

Direct taxes on persons yielded $8.4 billion, an increase of 26 per cent over the preceding year. This substantial growth is due to a relatively high elasticity with respect to GNP of levies on personal income, to the new federal social development tax, to increases in the provincial personal income tax rates in Newfoundland, New Brunswick and Alberta, and to the introduction of medicare premiums in Ontario and Manitoba. It should be noted that many of these tax increases did not apply for the full year in 1969.

Direct tax liabilities on corporations reached $2.9 billion in 1969, for an increase of some 11 per cent over their level in 1968. The increase is attributable in part to the gain posted by corporate profits in the first half of 1969, and in part to federal tax changes (taxation of the profits of life insurance companies and to lower excess reserves permitted to other financial institutions), together with increases in the provincial corporation income tax rates of Newfoundland and Alberta. The Alberta change was operative for only half of 1969.

Indirect tax revenues of $11 billion in 1969 were 10 per cent above the corresponding receipts of 1968. The increase was due to increased consumption of goods as incomes expanded, to particular commodity tax increases in New Brunswick and Ontario, and to real property tax increases in all provinces. Real property taxes in Canada amounted to 5.9 per cent of personal disposable income in 1969. This ratio was 4.6 per cent in 1960, 3.2 per cent in 1950, and 5.1 per cent in 1940.

The investment income of governments rose to $2.7 billion in 1969, for a gain of 18 per cent over its level of the previous year. This substantial increase is largely attributable to the rise in interest rates of the last two years, since the interest on federal securities held by the Bank of Canada, CMHC mortgages and securities held by governments in employee pension and other accounts form a major part of government sector investment receipts.

Employer and employee contributions (mainly to government employee pension plans, to workmen's compensation and to the Unemployment Insurance Fund) rose by 13 per cent to $1.5 billion in 1969. This substantial increase reflects the first full-year effect of the higher contributions to the Unemployment Insurance Fund which became effective July 1, 1968.

Expenditures of governments

The growth in government expenditures during 1969, excluding intergovernmental transfers, remained at around 11 per cent, despite higher prices and wage costs and growing demand for public goods and services. Federal expenditures totalled $13.4 billion, an increase of some $1.3 billion. The expenditures of provinces and municipalities amounted to $15.1 billion, an increase of about $1.4 billion.

Expenditures on goods and services (as opposed to transfers) by all governments in 1969, at $14.6 billion, accounted for 56.5 per cent of all government expenditures. Their rate of growth amounted to 9 per cent, some 2 per cent more than in 1968. This acceleration is largely attributable to wages and salaries and general government services. Wages and salaries have continued to increase rapidly in 1969, especially at the federal and municipal levels, where increases of 18 per cent and 16 per cent respectively were experienced. Excluding retroactive salary adjustments pertaining to 1967 and 1968, the growth in federal wage payments was around 10 per cent. The dollar amount of general government services increased by 8 per cent in 1969, notably because of the fuller implementation of the Medical Care Insurance Plan. With the entrance of Newfoundland, Nova Scotia, Ontario, Manitoba and Alberta into the Medical Care Insurance Plan in the course of 1969, provincial expenditures for medical care amounted to some $225 million, of which $130 million was financed by transfers from the federal government. The growth in government sector capital expenditure slowed to around 2.5 per cent. Federal capital expenditure, which had increased by around 7.5 per cent in 1968, declined by around 10 per cent in 1969, while provincial-municipal capital expenditures increased by between 5 and 6 per cent.

Transfers to persons, excluding debt charges, have continued to represent a substantial portion of the growth in government expenditures. These transfers were increased at the federal level by a further reduction of the minimum age limit for old age security payments, by increased unemployment insurance benefit payments and by additional payments for adult training allowances. Increased transfers for hospital care[1], social services and education account for the major increases in provincial and municipal transfer payments to persons.

Interest on the public debt of all governments increased by 15 per cent over its 1968 level, and now accounts for 10 per cent of all government outlays.

The increase in federal transfers to other levels of government reflects additional contributions to medicare, following the entrance of the five additional provinces into the program, as well as the continuation of rapid increases in the costs of financing federal-provincial shared-cost programs, such as hospital insurance and the Canada Assistance Plan, together with large increases in fiscal transfers for post-secondary education. The increase in net provincial-municipal transfers is largely attributable to the need for more education outlays at the municipal level; it reflects, however, a significant reduction in the rate of growth of general provincial assistance to municipalities.

---

[1]This treatment of transfers in respect of hospital care is based on the old definition of the personal sector in the national accounts. In the revised national accounts, hospitals will be shown as a separate item in the government sector.

Government financing

Reflecting efforts to restrain expenditures, and the limited availability and high cost of funds in the Canadian bond market, net new direct and guaranteed issues of marketable bonds by all levels of government declined in 1969 to about $1.5 billion, half the level of the previous year. While provincial and municipal governments reduced their reliance on the capital markets, this significant reduction was accounted for almost entirely by the swing in the federal government's position.

In sharp contrast to 1968, when the federal government borrowed heavily in the bond market, in 1969 it was a small net source of funds. The government did, however, receive $330 million from net sales of non-marketable Canada Savings Bonds.

Provincial governments' direct and guaranteed market issues have consistently exceeded $1 billion in the past four years. These governments have significantly increased their recourse to foreign markets in this period. Whereas 70 per cent of provincial bond financing was done in Canada in 1966, in 1969 all but a small proportion was done in the United States and Europe. The other major source of funds for the provinces was the Canada Pension Plan which provided $805 million or almost 40 per cent of their total borrowings in 1969[1]. Provinces also reduced their cash balances by about $200 million, or 50 per cent, over the year.

Total net new issues of securities by municipalities declined by about 14 per cent in 1969, their foreign borrowings declining somewhat more than their new issues in Canada. This is in striking contrast to the provincial experience. Municipalities increased their bank borrowing by about 14 per cent or $95 million to help meet their financial requirements.

The deterioration of the long-term market in Canada as the inflationary psychology retained its control over investors accounted for the increased reliance of provinces and municipalities on foreign markets. It also meant that to the extent that funds were available in Canada, they were for shorter terms. In an attempt to overcome this problem and to attract lenders, the provinces made considerable use of bonds with an extendible feature.

Government of Canada cash requirements

Our discussion of the current developments in the government sector has used the national accounts framework for the presentation of material. We conclude with a statement of Government of Canada cash requirements and a description of recent developments in lending activities, which comprise the main non-budgetary outlays of the Government of Canada.

---

[1]The operations of the Quebec Pension Plan also provide a source of funds to the Quebec government. The funds are managed by "la Caisse de Dépôt et Placement". To the extent that the funds are used to buy issues of the Quebec government these purchases are reflected in the figures of the province's market issues.

TABLE 6

GOVERNMENT OF CANADA CASH REQUIREMENTS AND SOURCES OF FINANCING

(Calendar years)

	1967	1968	1969[3]
	(Millions of dollars)		
Cash Requirements			
Budgetary deficit(+) or surplus(−)	646	733	−441
Non-budgetary excluding all foreign exchange transactions[1]	673	331	336
Sub-total	1,319	1,064	−105
Foreign exchange transactions cash requirements(+) or receipts(−)	158	252	18
Over-all cash requirements	1,477	1,316	−87
Sources of Finance			
Market Bonds[1]			
Gross new issues	1,935	2,778	1,406
Retirements	1,485	1,640	1,497
Net	450	1,138	−91
(of which foreign pay)	(−206)	(266)	(14)
Treasury Bills	285	370	70
Canada Savings Bonds	230	40	329
Non-marketable and other[2]	216	−179	280
Total	1,181	1,371	588
Changes in Receiver General bank balances	−296	+55	+675

[1] This item includes funds used to pay off maturing CNR bonds.
[2] Includes Unemployment Insurance Commission and Canada Pension Plan bonds, Securities Investment Account and securities held for retirement of unmatured debt.
[3] Preliminary.

The budgetary position of the Government of Canada swung from a deficit of $733 million in calendar 1968 to a surplus of $441 million in 1969. The deficit on non-budgetary account, which had been halved in 1968, remained virtually unchanged at $336 million in 1969. Taking into account cash requirements for foreign exchange operations, there was a change from a total cash requirement in 1968 of just over $1.3 billion to a cash surplus in 1969 of a little less than $100 million. Main features of the financing of these requirements are exhibited in Table 6.

The non-budgetary accounts of the Government of Canada include some very large receipts deriving, for example, from contributions to the federal employees' pension funds and from taxes credited to the Old Age Security Fund. The details may be found in Part II of this White Paper. The economic significance of the non-budgetary loans and investments has special character and deserves discussion here.

Loans, advances and investments by the federal government to Crown corporations and agencies, other governments and their agencies, and international organizations, but excluding Exchange Fund Account transactions, will

amount to about $1.2 billion in fiscal 1969-70 on a net basis, that is after deducting principal repayments. This total compares with $981 million in fiscal 1968-69 and $1,351 million in fiscal 1967-68.

Since fiscal 1963-64, when net non-budgetary expenditures totalled $232 million, there have been sharp increases in the federal government's lending and investment programs. These increases reflect the government's growing role as a financial intermediary. Almost $750 million in direct loans to the private sector will be made, net of principal repayments, in the current fiscal year through government lending agencies such as the Central Mortgage and Housing Corporation, the Farm Credit Corporation, Export Development Corporation, and the Veterans' Land Act Fund. The rapid expansion in amounts disbursed on these lending operations, from about $227 million in fiscal 1963-64 to current levels of expenditure, has been closely associated with the federal government's support of housing programs through CMHC. For example, in the last three years the federal government has lent an average of $500 million a year to CMHC over and above repayments, compared with about $200 million a year in the previous three years.

Federal government loans to and investments in Crown corporations carrying out commercial operations account for the bulk of other non-budgetary expenditures, which may total about $472 million in fiscal 1969-70 compared with $387 million in fiscal 1968-69 and only $5 million in fiscal 1963-64. Generally speaking, these expenditures involved capital spending programs carried out by Crown corporations such as Air Canada, Atomic Energy of Canada Limited, and the Canadian National Railways. Advances to CNR are also made to finance maturing CNR loans held by the public.

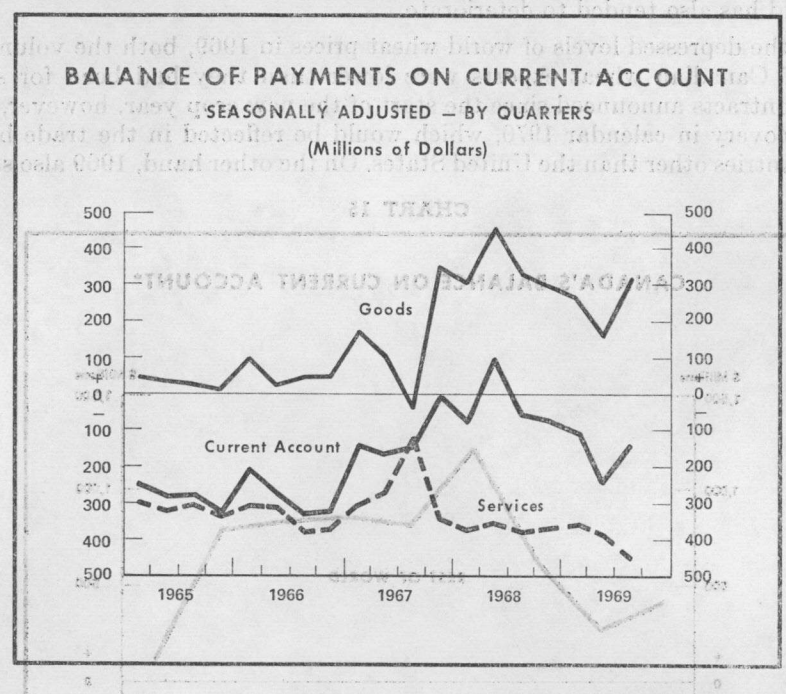
In addition to its role as a financial intermediary, the federal government assists numerous lending operations in the private sector by guaranteeing or insuring loans made under certain federal government-sponsored programs. While no cash outlay is involved, except in the case of a default, these guarantees have resulted in a rapid increase in contingent liabilities of the federal government. At the end of fiscal 1968-69 these amounted to almost $9 billion and they have been growing at over 6 per cent a year in recent years. These contingent liabilities arise under such programs as National Housing Act insured mortgages, Canadian Wheat Board financing, and Farm Improvement and Student Loans.

The non-resident sector

The current account deficit, that is, the difference between receipts and expenditures in current transactions with other countries, appears to have been about $800 million in 1969, compared with the unusually low figure of $111 million in 1968. This was not quite as rapid a change as in 1965 or as in the period of resource boom of the mid-1950s but is evidence, nevertheless, of both growth and inflation within the Canadian economy. The increase in the deficit occurred between the middle of 1968 and the middle of 1969, as a result of a rapid growth of imports which reflected the continuing expansion of the economy and the consequent upward trend of investment. The growth in both imports and exports flattened out during the course of 1969, but at levels which left the merchandise trade surplus well below the peak attained in 1968. The deficit on non-merchandise transactions continued to increase, with a rather sharper change than usual

due to a sizeable increase in the deficit on travel. The inflows of long-term capital remained substantially in excess of the current account deficit. As in 1968, however, this was offset by a large outflow of short-term funds, and the official reserves increased by only $65 million.

CHART 14

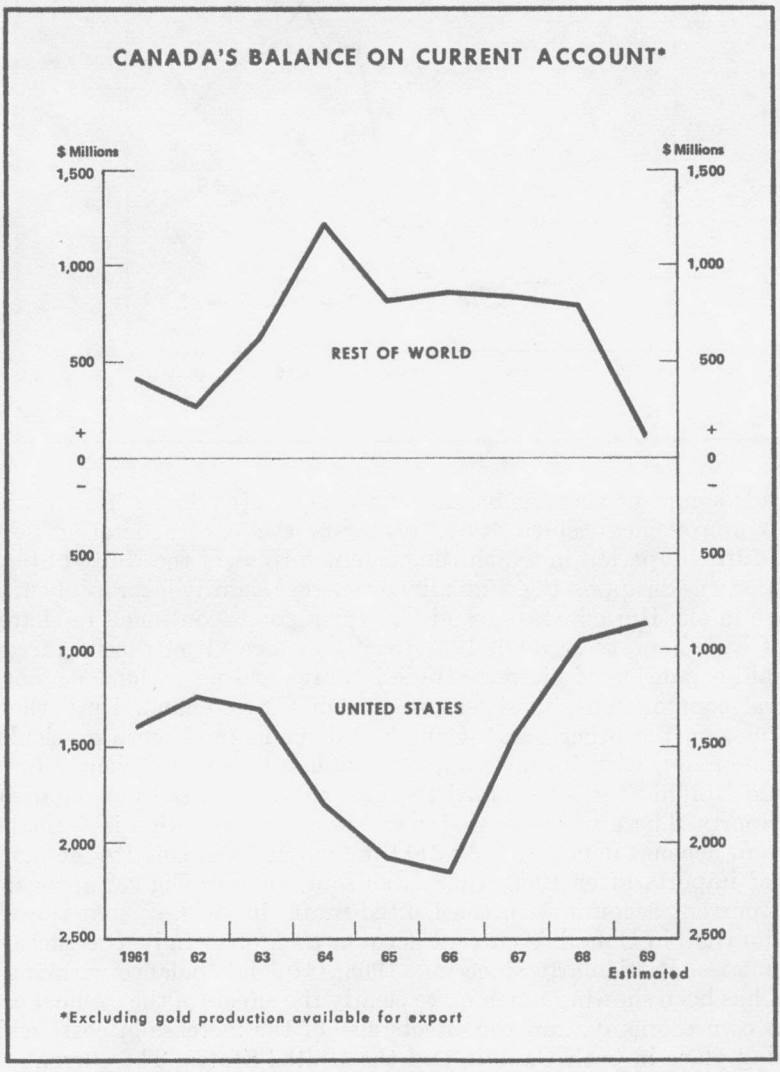


Canada's current account balance with the United States has shown a considerable improvement since 1966, reversing the earlier deterioration. This occurred during a period in which the current surplus of the United States with all countries was disappearing. Canadian costs rose slightly less rapidly after 1967 than those in the United States, and Canadian goods continued to share in the growth of U.S. imports through 1969, partly as a result of special factors such as the rapid expansion of bilateral trade in autos and parts, but also because of the general composition and sheer pressure of U.S. demand. Until the second half of 1968, on the other hand, Canadian demand (and more particularly investment demand, with its high import content) lagged sufficiently far behind that in the United States to retard the growth of imports by comparison with that of exports. These were the major causes of the reduction in Canada's own total current account deficit to only $111 million in 1968. Despite the more rapid increase of imports after 1968, there was some further slight improvement in Canada's current account with the United States in 1969, so that the whole of the deterioration in Canada's current account took place in its transactions with other countries. Particularly since mid-1968, Canada's balance with the rest of the world has been showing much more clearly the effects of the cyclical pressures within its own economy, and the effects also of the increase in costs which has been taking place in both Canada and the United States. The current account

surplus with the United Kingdom and Continental Europe, which had been $359 million as recently as 1967, gave way to a small deficit in 1969, while the surplus with all other overseas countries, $484 million in 1967, fell to less than $200 million in 1969. In both cases, lower wheat shipments were partly responsible, but Canadian imports from these third countries have risen more sharply than imports from the United States. The non-merchandise balance with the rest of the world has also tended to deteriorate.

At the depressed levels of world wheat prices in 1969, both the volume and value of Canadian wheat exports were lower than they had been for several years; contracts announced since the start of the new crop year, however, imply some recovery in calendar 1970, which would be reflected in the trade balance with countries other than the United States. On the other hand, 1969 also saw the

CHART 15

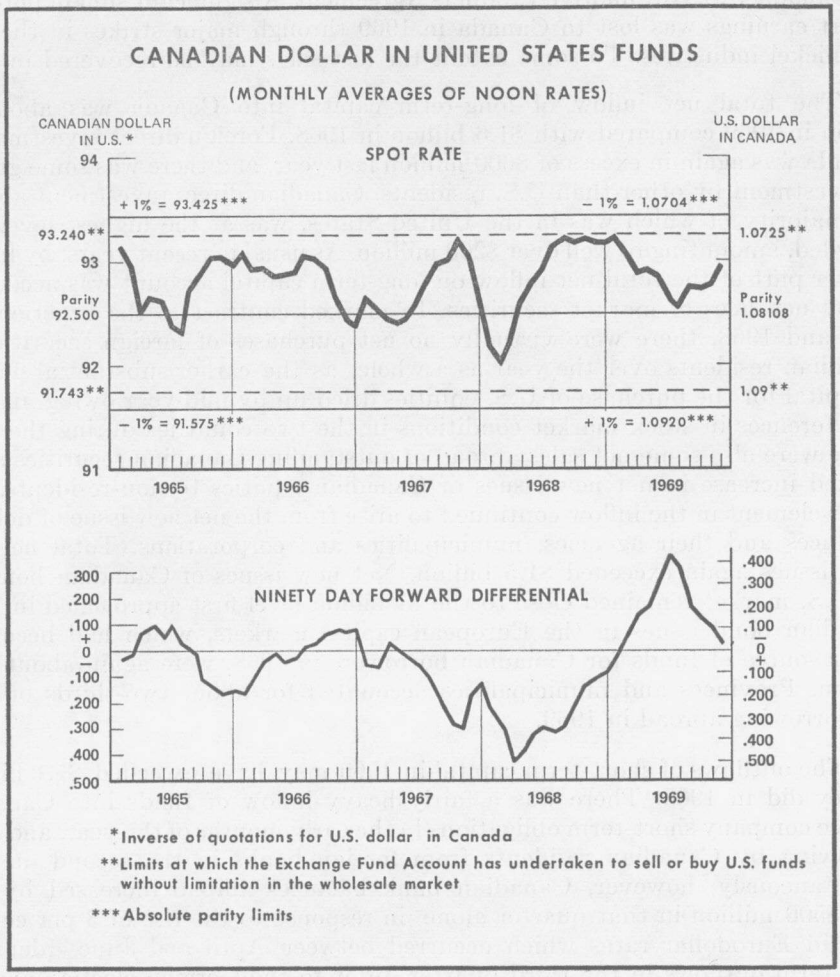


completion of the initial program of rationalization of production and trade under the Canada-U.S. Automotive Products Agreement. A significant sum in potential export earnings was lost to Canada in 1969 through major strikes in the steel and nickel industries. To some extent the lost sales may be recovered in 1970.

The total net inflow of long-term capital into Canada was about $2 billion in 1969 compared with $1.6 billion in 1968. Foreign direct investment in Canada was again in excess of $600 million last year, and there was some growth in investment by other than U.S. residents. Canadian direct investment abroad, the majority of which was in the United States, was at the highest level ever recorded, amounting to well over $200 million. As usual in recent years, by far the greater part of the total net inflow on long-term capital account was accounted for by net sales of market securities. In marked contrast to the experience of 1967 and 1968, there were virtually no net purchases of foreign securities by Canadian residents over the year as a whole, as the earlier substantial outflow of capital for the purchase of U.S. equities dried up by mid-year owing, in part, to differences in stock market conditions in the two countries during the year. There were also some net sales abroad of outstanding Canadian securities and a marked increase in net new issues of Canadian equities to non-residents. The major element in the inflow continued to arise from the net new issue of debt by provinces and their agencies, municipalities and corporations. Total net new bond issues again exceeded $1.5 billion. Net new issues of Canadian bonds in the U.S. market remained close to the $1 billion level first approached in 1966. Canadian bond issues in the European capital markets, which had become a major source of funds for Canadian borrowers in 1968, were again about $500 million. Provinces and municipalities accounted for about two-thirds of total net borrowing abroad in 1969.

The outflows of short-term capital in 1969 may have exceeded $1.1 billion, as they did in 1968. There was a fairly heavy inflow of funds into Canadian finance company short-term obligations in the early months of the year, and some borrowing by Canadian residents from foreign banks in the second quarter. Simultaneously, however, Canadian bank balances abroad increased by well over $500 million in that quarter alone, in response to the rise of 3 per cent or more in Eurodollar rates which occurred between April and June. Identified short-term outflows in the third quarter, prior to the German election and the abandonment of the former parity of the deutsche mark, were more moderate, and little net reflux appears to have taken place in the fourth quarter. But analysis is complicated by large unidentified flows, partly representing changes in leads and lags, which may have been related to the mark crisis. Apart from a minor reflux in the second quarter of 1968, a steady outflow of banking funds has now persisted since the summer of 1967 and there has been an apparent total net build-up of short-term assets held abroad by Canadian residents, over that period, of more than $3 billion. The very duration of this build-up, together with the experience of other countries in recent years, suggests that a large part of the capital concerned may represent, in practice, a significantly longer-term export than is conventionally assumed from the nominal term of the deposits. As described in earlier Budget White Papers, some part of the apparent outflow may be accounted for by essentially permanent "slippage" between the direct measurements of the current and capital accounts. Nevertheless, a substantial short-term foreign currency net asset position clearly exists.

CHART 16



Those short-term flows which can be identified took place chiefly in response to changes in covered interest-rate differentials and to some extent because of speculation on possible parity changes in Europe, but had no seriously weakening effect upon the exchange value of the Canadian dollar during 1969. On the contrary, although the rate fell fairly slowly from the upper intervention point at which it began the year, and hovered around parity from late June through July, it then rose gradually again and at the end of December was virtually against its ceiling. There was a roughly offsetting movement of the forward differential during the year (first a widening and then a narrowing of the discount on the forward U.S. dollar), leaving the actual forward rate for the Canadian dollar fairly flat and close to the ceiling for the spot rate, throughout the year.

All of the net increase in Canada's official reserve assets in 1969 is attributable to the last quarter of the year, as there was a net rundown of $100 million to the end of September. Over the year as a whole, there was a net reduction of U.S. $211 million in official holdings of gold and foreign exchange and an increase of U.S. $272 million in Canada's reserve position in the International Monetary Fund.

FINANCIAL MARKETS

The economic developments reviewed in this White Paper influenced and were influenced by the course of financial flows and financial markets during 1969, which were characterized by rising interest rates and important shifts among financial channels.

First, there were large changes in the borrowing requirements of the various sectors. The demand for consumer credit by individuals increased, although at a diminishing rate, and business borrowing rose sharply. Mortgage lending increased and the borrowing of provincial and local governments and their enterprises remained at a high level. On the other hand, the federal government reduced its borrowing very substantially. Second, the policies of monetary restraint checked the growth of the chartered banks, with consequences for interest rates, the structure of chartered bank assets and the relative position of other financial institutions. Third, the experience and expectation of inflation contributed to the increase in interest rates, encouraged borrowers to borrow for short-term rather than long, and shifted investors' preferences away from long-term bonds and toward liquid assets and equities. A number of these factors were also felt in the rest of the industrialized world, and the rise in interest rates in Canada was equalled or surpassed elsewhere.

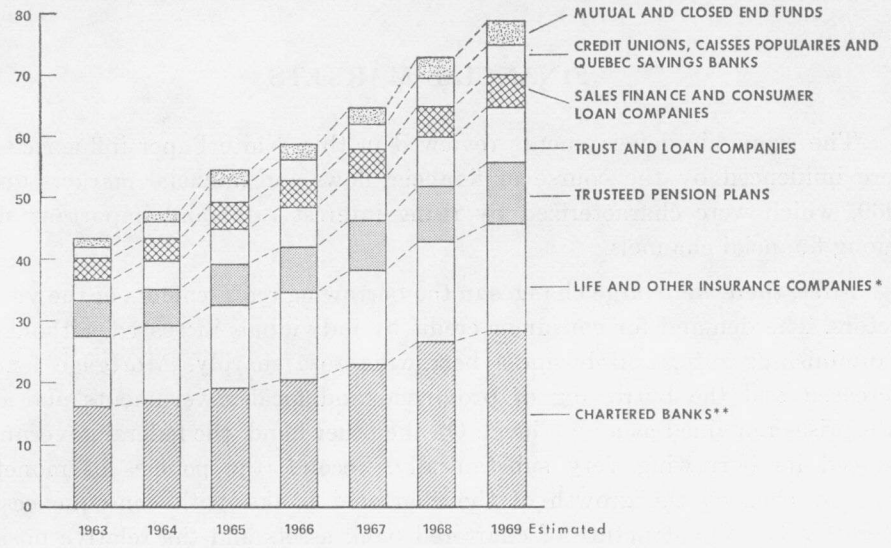
The banking system

The Bank of Canada pursued a policy of monetary restraint throughout 1969. The primary way in which this was done was through restricting the growth of the chartered banks' cash reserves. The Bank of Canada also raised the Bank Rate to 7 per cent in March, to 7.5 per cent in June and to 8 per cent in July, and increased the secondary reserve ratio of chartered banks from 7 per cent to 8 per cent in June. Under this monetary policy, chartered banks' total assets grew less rapidly than those of non-bank financial institutions. Over-all, assets of all major financial intermediaries, including the chartered banks, are estimated to have grown by about 8 per cent over 1969. Total assets of the banking system expanded by 5.2 per cent, those of other financial intermediaries by about 9.4 per cent. Further details as to the relative growth of assets of the financial intermediaries are shown in Chart 17.

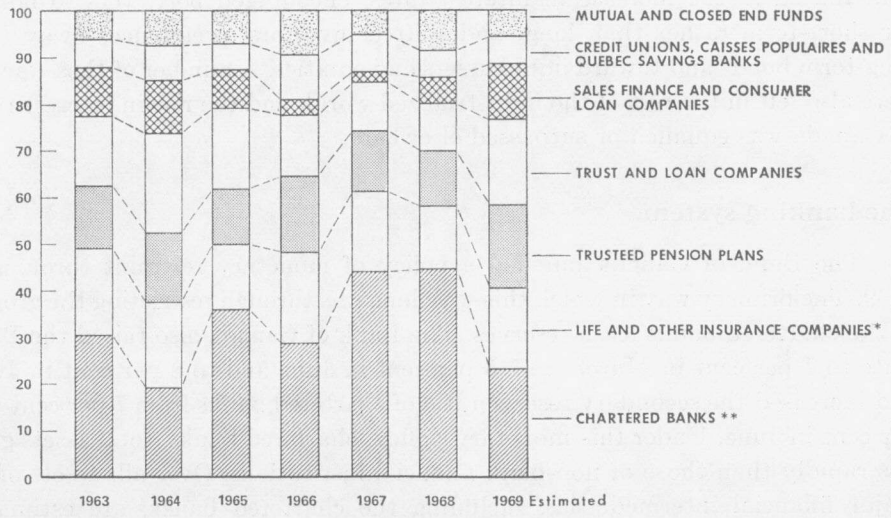
CHART 17

ASSETS OF SELECTED FINANCIAL INSTITUTIONS

(Billions of Dollars)



PERCENTAGE DISTRIBUTION OF TOTAL ANNUAL INCREASE



* Canadian assets physically held in Canada of federally-registered life insurance companies. Others includes all assets of both federal and provincial fire and casualty companies in respect of business in Canada.

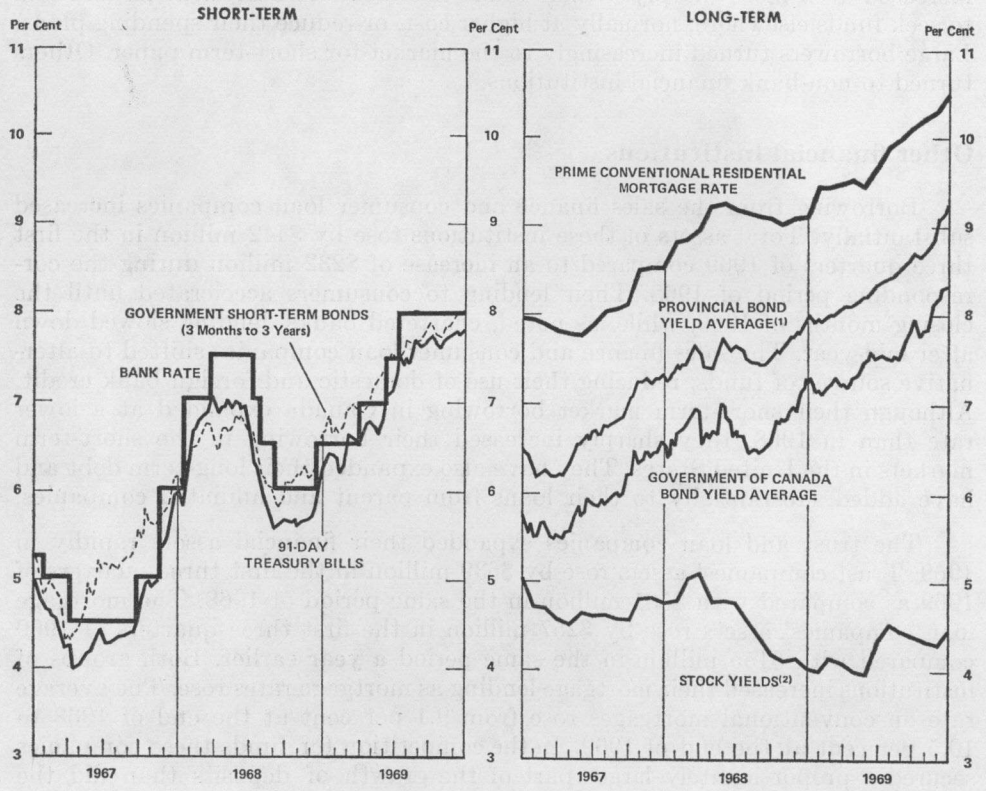
** Includes foreign currency assets net of foreign currency liabilities.

Monetary policy affected not only the growth of total chartered bank liabilities but also had differential effects on various deposit liabilities and assets. Total Canadian dollar liabilities of the banks continued to expand at relatively high rates early in 1969, but the rate of expansion slowed as the year progressed. Around the middle of the year total liabilities declined, and although they have risen since, they were at year-end only slightly above the level reached at mid-year. Growth of demand deposits was held in check throughout the year while non-personal term and notice deposits declined sharply, the fall being due partly to limitation of the rates that the chartered banks pay on certain large deposit receipts. Foreign currency swapped deposits rose substantially in the first half of the year, but did not grow after July, when the Bank of Canada requested the banks to observe a temporary ceiling on the amounts outstanding.

Marked changes also occurred on the asset side of the chartered banks' balance sheets. The most striking of these was a sharp fall in the liquid asset holdings of the banks in order to meet the demand for loans. Their holdings of

CHART 18

SELECTED INTEREST RATES, CANADA



(1) Average weekly yield on the 10 provincial bonds included in the monthly series published by McLeod, Young, Weir and Co., Ltd.

(2) Average stock yield on 114 stocks as compiled by Moss, Lawson and Co., Ltd.

Government of Canada bonds fell by $450 million during 1969. The banks also reduced their net foreign currency asset position. Chartered bank loans continued to expand until about mid-1969 at relatively high rates. There was a pause in growth around mid-year, which was followed by a resumption of expansion although at reduced rates of growth. This second-half increase includes loans to grain dealers and to the Canadian Wheat Board, and also reflects advances on grain held in inventory on farms or in storage terminals. Unsecured personal loans have shown only a slight increase since about mid-1969. The banks as a whole have substantially increased their mortgage lending. From the end of 1968 to the end of 1969, their outstanding mortgages rose by $275 million, compared with $199 million over the previous twelve months. There were small reductions in the banks' holdings of provincial, municipal and corporate bonds.

At the beginning of 1969, the more liquid assets of the banking system were some 30 per cent of the total of their major assets. This percentage fell to about 26 per cent at the close of 1969. Hence, while the banking system did offset to some extent the impact of monetary tightness on its lending in 1969, its increasingly illiquid position was reflected in lending policies. The prime loan rate was increased to 7 per cent in January, 7.5 per cent in March, 8 per cent in June, and 8.5 per cent in July. Moreover, it is likely that an increasing number of borrowers were excluded from this preferential rate and accordingly their cost of borrowing increased even more sharply. Others found it difficult to borrow at all and had to seek funds elsewhere, normally at higher cost, or reduce their spending plans. Large borrowers turned increasingly to the market for short-term paper. Others turned to non-bank financial institutions.

Other financial institutions

Borrowing from the sales finance and consumer loan companies increased substantially. Total assets of these institutions rose by $442 million in the first three quarters of 1969 compared to an increase of $232 million during the corresponding period of 1968. Their lending to consumers accelerated until the closing months of 1969, while, as noted, chartered banks' lending slowed down after mid-year. The sales finance and consumer loan companies shifted to alternative sources of funds, reducing their use of domestic and foreign bank credit. Although their short-term market borrowing in Canada expanded at a lower rate than in 1968, they sharply increased their borrowing in the short-term markets in the United States. They have also expanded their long-term debt and have added substantially to their loans from parent and affiliated companies.

The trust and loan companies expanded their financial assets rapidly in 1969. Trust companies' assets rose by $639 million in the first three quarters of 1969 as compared with $501 million in the same period of 1968. The mortgage loan companies' assets rose by $257 million in the first three quarters of 1969 compared with $155 million in the same period a year earlier. Both groups of institutions increased their mortgage lending as mortgage rates rose. The average rate on conventional mortgages rose from 9.1 per cent at the end of 1968 to 10.5 per cent at the end of 1969. In the competition for funds these companies secured a proportionately larger part of the growth of deposits than did the banks. The banks for their part increased their deposit rates and increased the variety of deposits available. By mid-year, rates as high as 7.75 per cent were

being offered on certificates of deposit maturing within two years. The Governor of the Bank of Canada has recently stated, however, that in response to a request by the Bank of Canada, the large chartered banks have not been competing aggressively for large blocks of short-term funds through the sale of Canadian dollar instruments. The trust and loan companies have been able to offer terms that many depositors have found more attractive. Thus, for example, rates on trust company guaranteed investment certificates rose from an average of 7.19 per cent in December 1968 to an average of 8.58 per cent in December 1969.

The assets of fire and casualty insurance companies expanded by about the same amount in the first three quarters of 1969 as in the same period of 1968. The assets of the credit unions, caisses populaires and mutual funds rose over the same period. Mutual funds increased their holdings of Canadian stocks, and reduced their holdings of foreign stocks in 1969. This shift was due to the relatively better performance of the Canadian rather than the United States stock market, and to the effect of the Canadian guidelines on overseas investments. Life insurance companies grew somewhat more slowly in 1969 than in 1968, while continuing to shift a part of their resources from fixed income securities to equities, a trend which began late in 1968. They reduced their holdings of bonds and invested less in mortgages.

Securities markets

The net amount of securities issues of all kinds by Canadian borrowers fell off quite sharply in 1969, and there were very significant changes in their composition.

TABLE 7

NET NEW ISSUES OF SECURITIES

	1966	1967	1968	1969
	(Millions of dollars)			
Issued or Guaranteed by:				
Government of Canada[1]				
Treasury Bills	10	295	360	67
Canada Savings Bonds	223	230	40	329
Other bonds, payable in Canadian dollars	84	444	718	−104
Bonds payable in foreign currencies	−169	−45	266	14
Total	148	924	1,384	306
Provincial and Municipal Governments				
Bonds sold to CPP	462	669	704	805
Other bonds, payable in Canadian dollars	1,031	1,013	612	241
Bonds payable in foreign currencies	424	800	900	1,057
Total	1,917	2,482	2,216	2,103
Corporations and Others				
Commercial Paper	142	76	453	502[2]
Bonds payable in Canadian dollars	536	830	517	403
Bonds payable in foreign currencies	534	161	368	443
Stocks	595	507	598	932
Total	1,807	1,574	1,936	2,280
Total net new issues	3,872	4,980	5,536	4,687

[1] Outside Government Accounts.
[2] Preliminary.

The change in the total is more than accounted for by the decline in new issues by the Government of Canada, since provincial and municipal direct and guaranteed borrowing was well maintained and corporate issues increased. In the case of the Government of Canada, the change took the form principally of a small net retirement of marketable bonds following the large volume of new issues of such securities in 1968. Net new issues of Treasury Bills declined, but there was a larger net sale of Canada Savings Bonds. Provincial and municipal governments and their enterprises obtained more funds from the sale of bonds to the CPP and from foreign currency issues outside Canada, and sharply reduced their market borrowing in Canada. Corporations also reduced their reliance on the Canadian bond market and raised more funds from foreign issues and from the sale of commercial paper. They greatly increased their net new issues of common and preferred stocks.

Whereas in 1968 Canadian governments and corporations raised $2.3 billion in new money in the Canadian bond market, they raised less than half of that amount in 1969 (excluding CSBs and bonds sold to the Canada Pension Plan). This striking decline is accounted for, to a significant extent, by the change in the position of the banks, which were net buyers in 1968 and net sellers in 1969. Canadian marketable bonds taken up by resident investors other than the banking system amounted to nearly $1 billion in 1968 and a little less in 1969, compared with $1.4 billion in both 1966 and 1967. This reduction is impressive in the light of the very high yields obtainable on such investments. The evident preference of investors for short-term liquid assets and equities illustrates the extent to which the bond market was affected by inflation and the persisting inflationary psychology. In these circumstances, Canadian borrowers were fortunate to be able to continue borrowing on a large scale in foreign capital markets, as described in the discussion of the balance of payments.

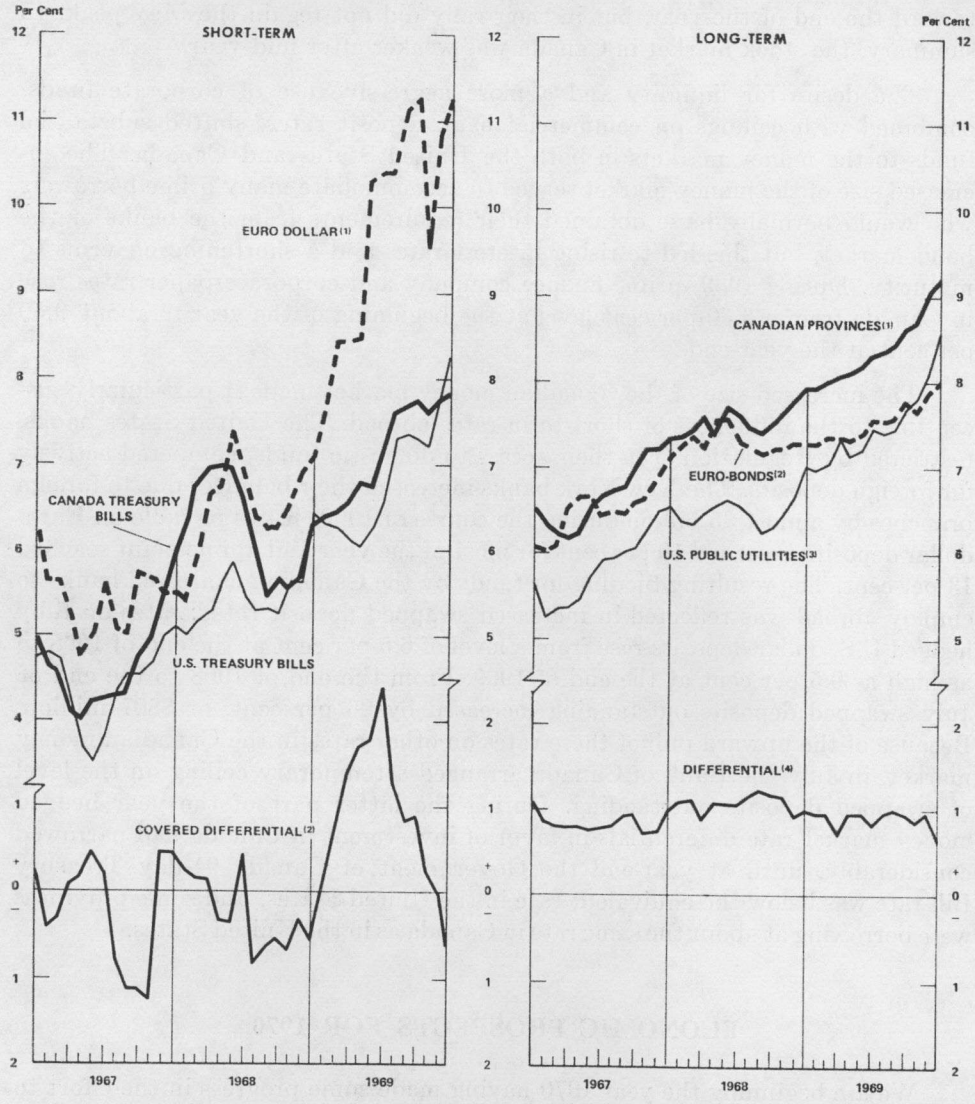
Bond yields in both Canada and the United States reached historic highs in 1969. The average yield on long-term Canadian Government bonds increased a full percentage point to 8.33 per cent during the course of the year. Provincial yields increased by over $1\frac{1}{4}$ points on average to 9.20 per cent in the same period. In the United States the average yield on long-term Treasury bonds rose over $1\frac{1}{8}$ points to 6.91 per cent and the yield on utility issues, which are comparable in the United States market to Canadian provincial issues, rose from 6.75 per cent to 8.40 per cent.

In April, there was some recovery in bond prices in Canada and the United States, which however proved to be short-lived, partly as a result of liquidation of securities by the commercial banks in both countries. During the summer restrictive credit conditions and a persistent, strong demand for credit combined to bring about a series of increases in interest rates. By the end of September, record yields had been established. In October, further signs of a slowdown in the United States economy, rumors of peace in Vietnam and widespread expectations of lower rates in the future combined to produce a dramatic increase in U.S. bond prices, which was followed to some degree in Canada. However, this rally too proved to be premature and bond prices once again declined, to produce record yields in December. Rates on new prime corporate issues in Canada reached 9.5 per cent in this period, while the United States an "Aaa-rated" utility bond was offered on a 9.10 per cent basis.

CHART 19

INTERNATIONAL INTEREST RATE COMPARISONS

(Monthly)



(1) Salomon Brothers and Hutzler three month Eurodollar rate.

(2) Canadian Treasury Bill yield less the U.S. Treasury Bill yield corrected for the cost of foward cover. A plus indicates that the covered differential is favourable to capital inflows into Canada.

(1) Average yield on the 10 provincial bonds included in the monthly series published by McLeod, Young, Weir and Co., Ltd.

(2) Source: O.E.C.D. and the Weekly Bond Buyer Bontrade Index.

(3) Moody's Investors Service Inc., average yield on public utility bonds.

(4) Average yield on Canadian provincial minus average yield on U.S. public utility long-term bonds.

In the stock market in Canada, prices of industrial stocks, after some hesitation in February and March, thrust upward to a peak in May, reaching a level in that month some 6½ per cent higher than the average for the previous December. A sharp fall in stock prices then occurred, as interest rates moved to higher ground. The decline continued into August; thereafter prices climbed again until toward the end of the year, but in their rally did not regain the May peak. In summary, the stock market in Canada was weaker after mid-year.

The desire for liquidity and a more aggressive use of corporate funds, combined with ceilings on commercial bank deposit rates, shifted substantial funds to the money markets in both the United States and Canada. The increased size of the money market served to accommodate many prime borrowers who would normally have obtained their requirements from the banks or the bond market, but this led to rising interest rates and a shortening of terms to maturity. During 1969, prime finance company and corporate paper rates rose in Canada from a 6.50 per cent level at the beginning of the year to about 9.50 per cent at the year-end.

The increased size of the Canadian money market made it particularly susceptible to the influences of short-term rates abroad. The United States banks, restricted by Regulation Q in their access to domestic funds, competed actively for foreign deposits. The New York banks increased their balances due to foreign branches by almost $5 billion during the course of 1969. Rates payable on Eurodollar deposits exceeded 10 per cent for most of the year and at one point reached 13 per cent. The resulting bidding for funds by the Canadian chartered banks to employ abroad was reflected in increased swapped deposit rates; rates on fully hedged U.S. dollar deposits rose from a level of 6.5 per cent at the end of 1968 to as high as 9.5 per cent at the end of 1969. From the end of 1968 to the end of July swapped deposits outstanding increased by 96 per cent, or $807 million. Because of the upward pull of these rates on other rates in the Canadian money market, in July the Bank of Canada arranged a temporary ceiling on the level of swapped deposits outstanding. During the latter part of the year hedged money market rate differentials in favor of investment in Canada had narrowed considerably, until at year-end the Government of Canada 91-day Treasury Bill rate was below the equivalent rate in the United States, and some provinces were borrowing at about the same rate in Canada as in the United States.

ECONOMIC PROSPECTS FOR 1970

We are beginning the year 1970 having made some progress in the effort to re-establish the economy on a non-inflationary upward course. We expect further progress this year.

What we have seen so far, briefly, is a slowing of the growth of demand, a more moderate advance of output, and some reduction, recently, in profits. What we have not seen is the hoped-for slowing of the rise of costs and prices. In 1970 we expect to see signs of more moderate rises of costs and prices.

The growth of demand will probably continue to ease gradually throughout 1970 while policies of restraint continue to be applied. The slower growth of the labour force and of employment we have seen in recent months will continue well into 1970. It has to be expected that, in contrast to 1969, some increase in the seasonally adjusted rate of unemployment will occur.

This broad picture is not dissimilar from that foreseen for the United States, and also for a number of other industrialized countries where inflation has evoked policies of restraint.

Although we expect the demand for goods and services to grow less rapidly, we expect the moderation to be rather evenly spread. Demand by consumers, supported by high incomes, will continue to move ahead. The slowing in this area will probably be felt most noticeably in the sales of durable goods including automobiles, although the demand for services will be increasingly restrained by higher prices. Although the data on intentions are not yet out, they are expected to indicate a considerable advance in capital investment. Housing starts which were over 210,000 last year are expected to be close to 200,000 in 1970, with a larger portion in the public and other low rent categories. We may be fairly optimistic about exports apart from wheat, automobiles and parts. The slowing down of growth in imports is expected to be greater than that of exports, and consequently the increase of the deficit in the current account of the balance of payments should be much smaller in 1970 than it was last year. Government expenditures will rise in 1970; the rate of increase is expected to be higher in the provincial and municipal sectors than that of the federal government. The Canada Pension Plan will again accumulate a large flow of savings to be lent to provincial governments and their agencies.

It is impossible to be precise about the likely course of costs and prices. The government has indicated its determination to slow down the inflationary increases, but a sudden end to the problem of inflation is not to be expected There are important wage settlements to be made this year. Many of these negotiations will be difficult and some strikes must be expected. A moderation of the rise in wage costs and continued declines in profits per unit of output are likely. It is expected that before the end of the year the continued effect of the slow-down in the growth of demand, the much less buoyant profit situation, and more moderate advances in wage costs will be beginning to show in smaller rates of price increase.

INDEX TO REFERENCE TABLES

Reference Table Number		Page
1	Demographic Developments	4808
2	Gross National Expenditure	4809
3	Changes in Gross National Expenditure	4810
4	Gross National Expenditure in Constant (1961) Dollars	4811
5	Changes in the Components of Gross National Expenditure in Constant (1961) Dollars	4812
6	Structural Changes in Demand (per cent distribution of Gross National Expenditure by components)	4813
7	Structural Changes in Demand (per cent distribution of Gross National Expenditure in Constant (1961) Dollars by components)	4814
8	National Income and Gross National Product	4815
9	Changes in National Income and Gross National Product	4816
10	Structural Changes in Income (per cent distribution of Gross National Product by components)	4817
11	Personal Income and Expenditure	4818
12	Personal Income, Canada and by Provinces	4819
13	Value of Retail Trade, Canada and by Region	4821
14	Private and Public Investment in Canada	4822
15	Private and Public Investment by Region	4824
16	Changes in Private and Public Investment, Canada and by Region	4825
17	Dwelling Starts, Completions and Under Construction	4826
18	Dwelling Starts and Completions, by type	4827
19	Manufacturers' Inventories, Shipments and Orders	4828
20	Manufacturers' Shipments, Canada and by Region	4829
21	Indexes of Real Domestic Product by Industry	4830
22	Changes in the Indexes of Real Domestic Product by Industry	4832
23	Indexes of Real Domestic Product by Major Industrial Grouping	4834
24	Changes in the Indexes of Real Domestic Product by Major Industrial Grouping	4835
25	Main Components of the Labour Market	4837
26	Changes in the Main Components of the Labour Market	4838
27	Participation Rates by Sex and Age Groups	4839
28	Unemployment Rates by Sex and Age Groups	4840
29	Participation Rates, Canada and by Region	4841
30	Labour Force, Canada and by Region	4842
31	Employment, Canada and by Region	4843
32	Unemployment, Canada and by Region	4844
33	Estimates of Employees by Province and Industry	4845
34	Productivity and Costs, Total All Industries	4848
35	Productivity and Costs, Commercial Non-Agricultural Industries	4849

36 Productivity and Costs, Commercial Non-Agricultural Goods-Producing Industries.... 4850
37 Productivity and Costs, Commercial Service-Producing Industries.... 4851
38 Productivity and Costs, Manufacturing Industries.... 4852
39 Gross National Expenditure Implicit Price Indexes.... 4853
40 Changes in Gross National Expenditure Implicit Price Indexes.... 4854
41 Consumer Price Indexes: Standard Classifications.... 4855
42 Changes in the Consumer Price Indexes: Standard Classifications.... 4856
43 Consumer Price Indexes: Supplementary Classifications.... 4857
44 Changes in the Consumer Price Indexes: Supplementary Classifications.... 4858
45 Contributions to Changes in the Consumer Price Index.... 4859
46 Other Price Indexes.... 4860
47 Changes in Other Price Indexes.... 4861
48 Total Government Expenditures—unrevised National Accounts Basis.... 4862
49 Federal Government Expenditures.... 4863
50 Provincial-Municipal Government Expenditures.... 4864
51 Total Government Revenues.... 4865
52 Federal Government Revenues.... 4866
53 Provincial-Municipal Government Revenues.... 4867
54 International Payments: Current Account.... 4868
55 Net Balances on Selected Non-Merchandise Accounts.... 4870
56 Summary of Balance of Payments.... 4871
57 International Payments: Capital Movements.... 4872
58 Net Proceeds from New Issues of Canadian Bonds and Debentures to Non-Residents.... 4874
59 Canadian Chartered Banks' Head Offices and Branches in Canada, Net Change in Foreign Currency Position.... 4876
60 Financing of Canada's Bilateral Account with the United States.... 4877
61 Canada's Reserve Position with the International Monetary Fund.... 4878
62 Canada's Official International Reserves.... 4879
63 Details of New Issues and Retirements of Government of Canada Direct and Guaranteed Marketable Bonds from January 1, 1969 to February 15, 1970.... 4880
64 Changes in Market Bonds and Canada Savings Bonds Outstanding.... 4881
65 Mortgage Loan Approvals.... 4882
66 Summary of Sources of Net New Financing in Canada.... 4883
67 Financial Flows: Chartered Banks.... 4884
68 Financial Flows: Trust Companies.... 4886
69 Financial Flows: Mortgage Loan Companies.... 4887

70	Financial Flows: Mutual Funds	4888
71	Financial Flows: Closed-End Funds	4889
72	Financial Flows: Life Insurance Companies	4890
73	Financial Flows: Sales Finance and Consumer Loan Companies	4891
74	Financial Flows: Fire and Casualty Insurance Companies	4892
75	Financial Flows: Credit Unions and Caisses Populaires	4893

REFERENCE TABLE 1

DEMOGRAPHIC DEVELOPMENTS

1947 to 1969

Years and Quarters	Population as of June 1[1]	Birth Rate	Death Rate	Natural Rate of Increase	Immigration Rate	Annual Growth Rate of Population	Number of Families	Net Family Formation
	(Thousands of persons)	(Per thousand of population)				(Per cent)	(Thousands)	
1947	12,888	28.9	9.4	19.5	5.0	2.1	n.a.	n.a.
1948	13,167	27.3	9.3	18.0	9.5	2.2	n.a.	n.a.
1949	13,447	27.3	9.3	18.0	7.1	2.1	n.a.	n.a.
1950	13,712	27.1	9.1	18.0	5.4	2.0	n.a.	n.a.
1951	14,009	27.2	9.0	18.2	13.8	2.2	3,282.4	n.a.
1952	14,459	27.9	8.7	19.2	11.3	3.2	3,360.0	77.6
1953	14,845	28.1	8.6	19.5	11.4	2.7	3,423.0	63.0
1954	15,287	28.5	8.2	20.3	10.1	3.0	3,537.0	114.0
1955	15,698	28.2	8.2	20.0	7.0	2.7	3,625.0	88.0
1956	16,081	28.0	8.2	19.8	10.3	2.4	3,705.6	80.6
1957	16,610	28.2	8.2	20.0	17.0	3.3	3,796.0	90.4
1958	17,080	27.5	7.9	19.6	7.3	2.8	3,898.0	102.0
1959	17,483	27.4	8.0	19.4	6.1	2.4	3,982.0	84.0
1960	17,870	26.8	7.8	19.0	5.8	2.2	4,081.0	99.0
1961	18,238	26.1	7.7	18.4	3.9	2.1	4,140.4	59.4
1962	18,583	25.3	7.7	17.6	4.0	1.9	4,189.0	48.6
1963	18,931	24.6	7.8	16.8	4.9	1.9	4,258.0	69.0
1964	19,290	23.5	7.6	15.9	5.9	1.9	4,341.0	83.0
1965	19,644	21.3	7.6	13.7	7.5	1.8	4,432.0	91.0
1966	20,015	19.4	7.5	11.9	9.7	1.9	4,518.3	86.3
1967	20,405	18.2	7.4	10.8	10.9	1.9	4,608.0	89.7
1968	20,744	17.6	7.4	10.2	8.9	1.7	4,696.0	88.0
1969	21,061	17.6	7.4	10.2	n.a.	1.5	n.a.	n.a.
		(Expressed at annual rates)						
1968 I	20,630	17.1	8.1	8.9	6.9	1.9	n.a.	n.a.
II	20,700	18.0	7.1	10.8	9.6	1.8	n.a.	n.a.
III	20,772	18.5	7.1	11.4	9.8	1.6	n.a.	n.a.
IV	20,857	17.1	7.1	10.0	9.1	1.5	n.a.	n.a.
1969 I	20,940	17.2	7.8	9.4	5.9	1.6	n.a.	n.a.
II	21,007	17.7	7.0	10.6	7.7	1.3	n.a.	n.a.
III	21,089	18.4	7.2	11.0	9.2	1.6	n.a.	n.a.
IV	21,180	17.3	7.2	10.1	n.a.	1.7	n.a.	n.a.

n.a.=not available

[1]Quarterly figures are the estimates for the months of January, April, July and October.

SOURCE: DBS *Vital Statistics*, Annual, Cat. 84-201, Monthly, Cat. 84-001.
DBS *Estimates of Families in Canada*, Annual, Cat. 91-204.

REFERENCE TABLE 2

GROSS NATIONAL EXPENDITURE

1947 to 1969

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation			Value of Physical Change in Inventories[1]	Exports of Goods and Services	Imports of Goods and Services	Residual Error of Estimate	Gross National Expenditure at Market Prices
			Total	Government	Business					
	(Millions of dollars)									
1947	9,054	1,343	2,350	304	2,046	343	3,661	−3,601	19	13,169
1948	10,051	1,454	3,057	424	2,633	97	4,055	−3,630	43	15,127
1949	10,892	1,722	3,439	456	2,983	78	4,004	−3,853	18	16,300
1950	11,991	1,928	3,862	521	3,341	549	4,158	−4,492	−41	17,955
1951	13,399	2,811	4,424	640	3,784	871	5,052	−5,580	83	21,060
1952	14,818	3,620	5,096	779	4,317	511	5,568	−5,369	−202	24,042
1953	15,717	3,824	5,733	782	4,951	697	5,380	−5,806	−218	25,327
1954	16,561	3,825	5,714	873	4,841	−395	5,137	−5,543	−66	25,233
1955	17,902	4,036	6,422	948	5,474	275	5,749	−6,390	−99	27,895
1956	19,466	4,426	8,000	1,144	6,856	986	6,350	−7,664	−190	31,374
1957	20,886	4,573	8,689	1,327	7,362	170	6,379	−7,767	−23	32,907
1958	22,211	4,854	8,535	1,397	7,138	−296	6,329	−7,321	−218	34,094
1959	23,620	4,976	8,647	1,508	7,139	414	6,674	−8,028	−37	36,266
1960	24,705	5,281	8,473	1,560	6,913	409	7,004	−8,092	−5	37,775
1961	25,120	6,350	8,317	1,671	6,646	119	7,651	−8,480	3	39,080
1962	26,636	6,770	8,823	1,901	6,922	568	8,265	−9,045	336	42,353
1963	28,364	7,149	9,522	1,983	7,539	592	9,102	−9,562	298	45,465
1964	30,647	7,684	11,173	2,022	9,151	469	10,540	−10,915	185	49,783
1965	33,134	8,307	13,251	2,443	10,808	1,172	11,223	−12,343	153	54,897
1966	36,057	9,820	15,405	2,845	12,560	1,230	13,088	−14,260	81	61,421
1967	38,998	10,875	15,519	3,048	12,471	408	14,708	−15,280	380	65,608
1968	42,360	12,078	16,035	3,204	12,831	741	16,692	−16,996	544	71,454
1969[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	78,100
	(Seasonally adjusted at annual rates)									
1968 I	41,300	11,716	15,812	3,092	12,720	524	16,116	−16,644	256	69,080
II	41,576	11,732	15,848	3,280	12,568	400	16,692	−16,484	528	70,292
III	42,832	12,020	16,104	3,268	12,836	768	16,592	−17,012	616	71,920
IV	43,732	12,844	16,376	3,176	13,200	1,272	17,368	−17,844	776	74,524
1969 I	45,068	13,392	16,788	3,088	13,700	1,376	18,340	−19,016	660	76,608
II	45,772	13,696	17,552	3,248	14,304	828	17,944	−19,024	664	77,432
III	46,460	13,980	17,888	3,116	14,772	820	18,344	−19,228	472	78,736
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.

[1]The book value of inventories is deflated to remove the effect of price changes, and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment.

[2]Estimated by the Department of Finance.

SOURCE: DBS. *National Income and Expenditure Accounts 1926–1968.*
DBS. *National Income and Expenditure Accounts*, Quarterly, Cat. 13-001.

REFERENCE TABLE 3

CHANGES IN GROSS NATIONAL EXPENDITURE

1947 to 1969

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation			Value of Physical Change in Inventories (1)(2)	Exports of Goods and Services	Imports of Goods and Services	Gross National Expenditure at Market Prices
			Total	Government	Business				
	(Per cent change from previous period)								
1947	13.0	−18.9	39.7	28.3	41.6	148	11.6	25.9	10.8
1948	11.0	8.3	30.1	39.5	28.7	−246	10.8	0.8	14.9
1949	8.4	18.4	12.5	7.5	13.3	− 19	−1.3	6.1	7.8
1950	10.1	12.0	12.3	14.3	12.0	471	3.8	16.6	10.2
1951	11.7	45.8	14.6	22.8	13.3	322	21.5	24.2	17.3
1952	10.6	28.8	15.2	21.7	14.1	−360	10.2	−3.8	14.2
1953	6.1	5.6	12.5	0.4	14.7	186	−3.4	8.1	5.3
1954	5.4	—	−0.3	11.6	−2.2	−1,092	−4.5	−4.5	−0.4
1955	8.1	5.5	12.4	8.6	13.1	670	11.9	15.3	10.5
1956	8.7	9.7	24.6	20.7	25.2	711	10.5	19.9	12.5
1957	7.3	3.3	8.6	16.0	7.4	−816	0.5	1.3	4.9
1958	6.3	6.1	−1.8	5.3	−3.0	−466	−0.8	−5.7	3.6
1959	6.3	2.5	1.3	7.9	—	710	5.5	9.7	6.4
1960	4.6	6.1	−2.0	3.4	−3.2	−5	4.9	0.8	4.2
1961	1.7	20.2	−1.8	7.1	−3.9	−290	9.2	4.8	3.5
1962	6.0	6.6	6.1	13.8	4.2	449	8.0	6.7	8.4
1963	6.5	5.6	7.9	4.3	8.9	24	10.1	5.7	7.3
1964	8.0	7.5	17.3	2.0	21.4	−123	15.8	14.1	9.5
1965	8.1	8.1	18.6	20.8	18.1	703	6.5	13.1	10.3
1966	8.8	18.2	16.3	16.5	16.2	58	16.6	15.5	11.9
1967	8.2	10.7	0.7	7.1	−0.7	−822	12.4	7.2	6.8
1968	8.6	11.1	3.3	5.1	2.9	333	13.5	11.2	8.9
1969(2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.3
	(Seasonally adjusted)								
1968 I	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
II	0.7	0.1	0.2	6.1	−1.2	−124	3.6	−1.0	1.8
III	3.0	2.5	1.6	−0.4	2.1	368	−0.6	3.2	2.3
IV	2.1	6.9	1.7	−2.8	2.8	504	4.7	4.9	3.6
1969 I	3.1	4.3	2.5	−2.8	3.8	104	5.6	6.6	2.8
II	1.6	2.3	4.6	5.2	4.4	−548	−2.2	—	1.1
III	1.5	2.1	1.9	−4.1	3.3	−8	2.2	1.1	1.7
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.
(1)See footnote (1) on reference table 2.
(2)Expressed in terms of absolute changes (millions of dollars) from the previous period.
(3)Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 4

GROSS NATIONAL EXPENDITURE IN CONSTANT (1961) DOLLARS

1947 to 1969

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation[1]			Value of Physical Change in Inventories	Exports of Goods and Services	Imports of Goods and Services	Residual Error of Estimate	Gross National Expenditure in Constant (1961) Dollars
			Total	Government	Business					
	(Millions of dollars)									
1947	13,721	2,814	3,796	442	3,390	326	5,018	−5,149	28	20,861
1948	13,438	2,682	4,358	549	3,845	51	5,185	−4,643	58	21,374
1949	14,083	2,986	4,680	568	4,153	69	4,878	−4,770	23	22,119
1950	15,038	3,218	5,029	622	4,449	555	4,844	−5,196	− 52	23,809
1951	15,224	4,175	5,047	645	4,442	744	5,297	−5,845	93	25,004
1952	16,514	5,125	5,635	767	4,907	468	5,905	−6,045	−219	27,398
1953	17,538	5,273	6,327	818	5,559	612	5,843	−6,547	−235	28,862
1954	18,296	5,070	6,326	912	5,451	−364	5,626	−6,233	− 71	28,283
1955	19,757	5,174	6,911	921	6,040	339	6,053	−7,067	−105	31,079
1956	21,172	5,334	8,174	1,003	7,240	775	6,508	−8,204	−194	33,780
1957	22,044	5,240	8,756	1,233	7,581	141	6,568	−8,108	− 23	34,710
1958	22,846	5,398	8,659	1,367	7,332	−207	6,545	−7,539	−215	35,462
1959	24,000	5,354	8,705	1,472	7,263	301	6,799	−8,319	− 36	36,929
1960	24,866	5,467	8,419	1,508	6,931	344	7,090	−8,310	− 5	37,994
1961	25,120	6,350	8,317	1,671	6,646	119	7,651	−8,480	3	39,080
1962	26,277	6,598	8,692	1,867	6,825	534	8,010	−8,665	332	41,778
1963	27,551	6,726	9,144	1,873	7,271	576	8,712	−9,001	288	43,996
1964	29,372	6,980	10,437	1,862	8,575	393	9,856	−10,163	175	47,050
1965	31,113	7,126	11,797	2,108	9,689	1,095	10,348	−11,470	140	50,149
1966	32,771	7,900	13,082	2,326	10,756	1,146	11,714	−13,034	71	53,650
1967	34,309	8,094	13,121	2,507	10,614	312	12,949	−13,699	321	55,407
1968	35,853	8,463	13,165	2,549	10,616	611	14,485	−14,978	442	58,041
1969[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	60,900
	(Seasonally adjusted at annual rates)									
1968 I	35,372	8,420	13,196	2,492	10,704	360	14,016	−14,744	212	56,832
II	35,332	8,400	12,984	2,560	10,424	356	14,472	−14,552	432	57,424
III	36,168	8,300	13,112	2,548	10,564	700	14,396	−15,004	500	58,172
IV	36,540	8,732	13,368	2,596	10,772	1,028	15,056	−15,612	624	59,736
1969 I	37,348	9,080	13,368	2,356	11,012	1,256	15,728	−16,492	524	60,812
II	37,452	9,036	13,752	2,516	11,236	868	15,212	−16,320	520	60,520
III	37,740	8,908	13,780	2,336	11,444	856	15,600	−16,316	364	60,932
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National accounts figures. Quarterly revised figures prior to 1968 are not available.

[1]Prior to 1960 gross fixed capital formation included an adjusting entry, thus the sum of business and government does not add to total gross fixed capital formation.

[2]Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 5

CHANGES IN THE COMPONENTS OF GROSS NATIONAL EXPENDITURE IN CONSTANT (1961) DOLLARS

1947 to 1969

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation[1]			Value of Physical Change in Inventories[2]	Exports of Goods and Services	Imports of Goods and Services	Gross National Expenditure in Constant (1961) Dollars
			Total	Government	Business				
	(Per cent change from previous period)								
1947	3.1	−24.5	26.4	16.9	28.0	185	−0.6	12.3	1.8
1948	−2.1	−4.7	14.8	24.2	13.4	−275	3.3	−9.8	2.5
1949	4.8	11.3	7.4	3.5	8.0	18	−5.9	2.7	3.5
1950	6.8	7.8	7.5	9.5	7.1	486	−0.7	8.9	7.6
1951	1.2	29.7	0.4	3.7	−0.2	189	9.4	12.5	5.0
1952	8.5	22.8	11.7	18.9	10.5	−276	11.5	3.4	9.6
1953	6.2	2.9	12.3	6.6	13.3	144	−1.0	8.3	5.3
1954	4.3	−3.8	—	11.5	−1.9	−976	−3.7	−4.8	−2.0
1955	8.0	2.0	9.2	1.0	10.8	703	7.6	13.4	9.9
1956	7.2	3.1	18.3	8.9	19.9	436	7.5	16.1	8.7
1957	4.1	−1.8	7.1	22.9	4.7	−634	0.9	−1.2	2.8
1958	3.6	3.0	−1.1	10.9	−3.3	−348	−0.4	−7.0	2.2
1959	5.1	−0.8	0.5	7.7	−0.9	508	3.9	10.3	4.1
1960	3.6	2.1	−3.3	2.4	−4.6	43	4.3	−0.1	2.9
1961	1.0	16.2	−1.2	10.8	−4.1	−225	7.9	2.0	2.9
1962	4.6	3.9	4.5	11.7	2.7	415	4.7	2.2	6.9
1963	4.8	1.9	5.2	0.3	6.5	42	8.8	3.9	5.3
1964	6.6	3.8	14.1	−0.6	17.9	−183	13.1	12.9	6.9
1965	5.9	2.1	13.0	13.2	13.0	702	5.0	12.9	6.6
1966	5.3	10.9	10.9	10.3	11.0	51	13.2	13.6	7.0
1967	4.7	2.5	0.3	7.8	−1.3	−834	10.5	5.1	3.3
1968	4.5	4.6	0.3	1.7	—	299	11.9	9.3	4.8
1969[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.9
	(Seasonally adjusted)								
1968 I	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
II	−0.1	−0.2	−1.6	2.7	−2.6	−4	3.3	−1.3	1.0
III	2.4	−1.2	1.0	−0.5	1.3	344	−0.5	3.1	1.3
IV	1.0	5.2	2.0	1.9	2.0	328	4.6	4.1	2.7
1969 I	2.2	4.0	—	−9.2	2.2	228	4.5	5.6	1.8
II	0.3	−0.5	2.9	6.8	2.0	−388	−3.3	−1.0	−0.5
III	0.8	−1.4	0.2	−7.2	1.9	−12	2.6	—	0.7
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.
[1]See footnote (1) on reference table 4.
[2]See footnote (2) on reference table 3.
[3]Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 6

STRUCTURAL CHANGES IN DEMAND
(Per Cent distribution of Gross National Expenditure by Components)

1947 to 1969

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation			Value of Physical Change in Inventories[1]	Exports of Goods and Services	Imports of Goods and Services	Residual Error of Estimate	Gross National Expenditure at Market Prices
			Total	Government	Business					
1947	68.8	10.2	17.8	2.3	15.5	2.6	27.8	−27.3	0.1	100.0
1948	66.5	9.6	20.2	2.8	17.4	0.6	26.8	−24.0	0.3	100.0
1949	66.8	10.5	21.1	2.8	18.3	0.5	24.6	−23.6	0.1	100.0
1950	66.8	10.7	21.5	2.9	18.6	3.0	23.2	−25.0	−0.2	100.0
1951	63.6	13.4	21.0	3.0	18.0	4.1	24.0	−26.5	−0.4	100.0
1952	61.6	15.0	21.2	3.2	18.0	2.1	23.2	−22.3	−0.8	100.0
1953	62.1	15.1	22.6	3.1	19.5	2.8	21.2	−22.9	−0.9	100.0
1954	65.6	15.2	22.6	3.4	19.2	−1.5	20.4	−22.0	−0.3	100.0
1955	64.2	14.5	23.0	3.4	19.6	1.0	20.6	−22.9	−0.4	100.0
1956	62.0	14.1	25.5	3.6	21.9	3.2	20.2	−24.4	−0.6	100.0
1957	63.5	13.9	26.4	4.0	22.4	0.5	19.4	−23.6	−0.1	100.0
1958	65.1	14.2	25.0	4.1	20.9	−0.8	18.6	−21.5	−0.6	100.0
1959	65.1	13.7	23.9	4.2	19.7	1.1	18.4	−22.1	−0.1	100.0
1960	65.4	14.0	22.4	4.1	18.3	1.1	18.5	−21.4	—	100.0
1961	64.3	16.2	21.3	4.3	17.0	0.3	19.6	−21.7	—	100.0
1962	62.9	16.0	20.8	4.5	16.3	1.4	19.5	−21.4	0.8	100.0
1963	62.4	15.7	20.9	4.3	16.6	1.3	20.0	−21.0	0.7	100.0
1964	61.6	15.4	22.4	4.0	18.4	0.9	21.2	−21.9	0.4	100.0
1965	60.4	15.1	24.1	4.4	19.7	2.1	20.5	−22.5	0.3	100.0
1966	58.7	16.0	25.1	4.6	20.5	2.0	21.3	−23.2	0.1	100.0
1967	59.4	16.6	23.7	4.7	19.0	0.6	22.4	−23.3	0.6	100.0
1968	59.3	16.9	22.4	4.4	18.0	1.0	23.4	−23.8	0.8	100.0
	(Seasonally adjusted at annual rates)									
1968 I	59.8	17.0	22.9	4.5	18.4	0.7	23.3	−24.1	0.4	100.0
II	59.2	16.7	22.5	4.6	17.9	0.6	23.7	−23.5	0.8	100.0
III	59.5	16.7	22.4	4.5	17.9	1.1	23.1	−23.7	0.9	100.0
IV	58.7	17.2	22.0	4.3	17.7	1.7	23.3	−23.9	1.0	100.0
1969 I	58.8	17.5	21.9	4.0	17.9	1.8	23.9	−24.8	0.9	100.0
II	59.1	17.7	22.7	4.2	18.5	1.1	23.2	−24.6	0.8	100.0
III	59.0	17.8	22.7	3.9	18.8	1.0	23.3	−24.4	0.6	100.0
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.
[1] See footnote (1) on reference table 2.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 7

STRUCTURAL CHANGES IN DEMAND
(Per Cent distribution of Gross National Expenditure in Constant (1961) Dollars by Components)

1947 to 1969

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation[1]			Value of Physical Change in Inventories	Exports of Goods and Services	Imports of Goods and Services	Residual Error of Estimate	Gross National Expenditure in Constant (1961) Dollars
			Total	Government	Business					
1947	65.8	13.5	18.2	2.1	16.2	1.6	24.1	−24.7	0.1	100.0
1948	62.9	12.5	20.4	2.6	18.0	0.2	24.3	−21.7	0.3	100.0
1949	63.7	13.5	21.2	2.6	18.8	0.3	22.1	−21.6	0.1	100.0
1950	63.2	13.5	21.1	2.6	18.7	2.3	20.3	−21.8	−0.2	100.0
1951	60.9	16.7	20.2	2.6	17.8	3.0	21.2	−23.4	0.4	100.0
1952	60.3	18.7	20.6	2.8	17.9	1.7	21.6	−22.1	−0.8	100.0
1953	60.8	18.3	21.9	2.8	19.3	2.1	20.2	−22.7	−0.8	100.0
1954	64.7	17.9	22.4	3.2	19.3	−1.3	19.9	−22.0	−0.3	100.0
1955	63.4	16.6	22.2	3.0	19.4	1.1	19.5	−22.7	−0.3	100.0
1956	62.7	15.8	24.2	3.0	21.4	2.3	19.3	−24.3	−0.6	100.0
1957	63.5	15.1	25.2	3.6	21.8	0.4	18.9	−23.4	−0.1	100.0
1958	64.4	15.2	24.4	3.9	20.7	−0.6	18.5	−21.3	−0.6	100.0
1959	65.0	14.5	23.6	4.0	19.7	0.8	18.4	−22.5	−0.1	100.0
1960	65.4	14.4	22.2	4.0	18.2	0.9	18.7	−21.9	—	100.0
1961	64.3	16.2	21.3	4.3	17.0	0.3	19.6	−21.7	—	100.0
1962	62.9	15.8	20.8	4.5	16.3	1.3	19.2	−20.8	0.8	100.0
1963	62.6	15.3	20.8	4.3	16.5	1.3	19.8	−20.5	0.7	100.0
1964	62.4	14.8	22.2	4.0	18.2	0.8	21.0	−21.6	0.4	100.0
1965	62.1	14.2	23.5	4.2	19.3	2.2	20.6	−22.9	0.3	100.0
1966	61.1	14.7	24.4	4.3	20.1	2.2	21.8	−24.3	0.1	100.0
1967	61.9	14.6	23.7	4.5	19.2	0.6	23.4	−24.7	0.5	100.0
1968	61.8	14.5	22.7	4.4	18.3	1.0	25.0	−25.8	0.8	100.0
	(Seasonally adjusted at annual rates)									
1968 I	62.2	14.8	23.2	4.4	18.8	0.6	24.7	−25.9	0.4	100.0
II	61.5	14.6	22.6	4.5	18.1	0.6	25.2	−25.3	0.8	100.0
III	62.2	14.3	22.5	4.4	18.1	1.2	24.7	−25.8	0.9	100.0
IV	61.2	14.6	22.4	4.3	18.1	1.7	25.2	−26.1	1.0	100.0
1969 I	61.4	14.9	21.9	3.8	18.1	2.1	25.9	−27.1	0.9	100.0
II	62.0	14.9	22.7	4.2	18.5	1.4	25.1	−27.0	0.9	100.0
III	62.0	14.6	22.6	3.8	18.8	1.4	25.6	−26.8	0.6	100.0
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.
[1]See footnote (1) on reference table 4.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 8

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

1947 to 1969

Years and Quarters	Wages, Salaries and Supplementary Labour Income[1]	Corporation Profits		Interest and Miscellaneous Investment Income	Accrued Net Income of Farm Operators from Farm Production[3]	Net Income of Non-Farm Unincorporated Business Including Rents[4]	Inventory Valuation Adjustment[5]	Net National Income at Factor Cost	Indirect Taxes less Subsidies	Capital Consumption Allowances and Miscellaneous Valuation Adjustments	Residual Error of Estimate	Gross National Product at Market Prices
		Corporation Profits Before Taxes	Dividends Paid to Non-Residents[2]									
	(Millions of dollars)											
1947	6,482	1,814	−248	197	1,105	1,427	−571	10,206	1,678	1,303	−18	13,169
1948	7,496	1,964	−249	239	1,366	1,524	−506	11,834	1,832	1,504	−43	15,127
1949	8,115	1,879	−317	276	1,216	1,651	−112	12,708	1,878	1,731	−17	16,300
1950	8,766	2,522	−404	372	1,307	1,699	−374	13,888	2,065	1,960	42	17,955
1951	10,340	2,874	−379	428	1,868	1,806	−643	16,294	2,548	2,300	−82	21,060
1952	11,633	2,791	−343	493	1,878	1,933	119	18,504	2,799	2,537	202	24,042
1953	12,671	2,746	−325	554	1,461	2,161	2	19,270	2,994	2,844	219	25,327
1954	13,009	2,447	−336	603	918	2,250	88	18,979	3,042	3,146	66	25,233
1955	13,967	3,220	−394	744	1,120	2,475	−184	20,948	3,321	3,527	99	27,895
1956	15,815	3,690	−448	843	1,283	2,496	−247	23,432	3,731	4,020	191	31,374
1957	17,191	3,424	−494	938	908	2,614	−59	24,522	3,975	4,387	23	32,907
1958	17,660	3,498	−490	1,008	1,116	2,707	−41	25,458	4,036	4,381	219	34,094
1959	18,862	4,046	−526	1,004	1,008	2,819	−108	27,105	4,401	4,723	37	36,266
1960	19,862	3,912	−493	1,074	1,021	2,797	−26	28,147	4,587	5,036	5	37,775
1961	20,746	4,075	−618	1,261	839	2,800	−41	29,062	4,838	5,182	−2	39,080
1962	22,249	4,607	−619	1,396	1,343	2,791	−118	31,649	5,446	5,594	−336	42,353
1963	23,727	5,078	−648	1,534	1,538	3,073	−202	34,100	5,714	5,948	−297	45,465
1964	25,886	6,043	−788	1,697	1,284	3,215	−139	37,198	6,441	6,328	−184	49,783
1965	28,858	6,574	−815	1,846	1,397	3,424	−315	40,969	7,280	6,800	−152	54,897
1966	32,658	6,913	−835	2,015	1,958	3,650	−327	46,032	8,056	7,414	−81	61,421
1967	36,114	6,774	−828	2,337	1,306	3,926	−323	49,306	8,786	7,896	−380	65,608
1968	39,353	7,442	−876	2,580	1,471	4,218	−317	53,871	9,677	8,449	−543	71,454
1969[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	78,100
	(Seasonally adjusted at annual rates)											
1968 I	37,764	6,744	−836	2,460	1,492	4,040	−296	51,368	9,520	8,444	−252	69,080
II	38,884	7,164	−980	2,536	1,304	4,188	−184	52,912	9,488	8,420	−528	70,292
III	39,728	7,548	−940	2,600	1,496	4,288	−296	54,424	9,628	8,484	−616	71,920
IV	41,036	8,312	−748	2,724	1,592	4,356	−492	56,780	10,072	8,448	−776	74,524
1969 I	42,296	8,284	−868	2,952	1,544	4,316	−596	57,928	10,500	8,840	−660	76,608
II	43,512	8,312	−856	2,924	1,596	4,252	−760	58,980	10,564	8,548	−660	77,432
III	44,636	7,284	−804	3,000	1,504	4,360	−360	59,620	10,612	8,976	−472	78,736
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.

(1)Includes military pay and allowances.

(2)Includes the withholding tax applicable to this item.

(3)Includes an arbitrary smoothing of crop production and standard seasonal adjustments for withdrawals of grain from farm stocks and the change in livestock items. Because of the arbitrary elements, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators.

(4)Includes net income of independent professional practitioners.

(5)In the seasonally adjusted series, the value of grain production in each quarter is taken as one-fourth of the estimated value of crop production for the year as a whole. All other items in the farm inventories series are seasonally adjusted by standard techniques.

(6)Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 9

CHANGES IN NATIONAL INCOME AND GROSS NATIONAL PRODUCT

1947 to 1969

Years and Quarters	Wages, Salaries, and Supplementary Labour Income[1]	Corporation Profits		Interest and Miscellaneous Investment Income	Accrued Net Income of Farm Operators from Farm Production[3]	Net Income of Non-farm Unincorporated Business Including Rents[4]	Net National Income at Factor Cost	Indirect Taxes less Subsidies	Capital Consumption Allowances and Miscellaneous Valuation Adjustments	Gross National Product at Market Prices
		Corporation Profits Before Taxes	Dividends Paid to Non-Residents[2]							
	(Per cent change from previous period)									
1947	11.2	23.1	21.0	15.9	7.2	8.1	9.0	22.4	21.7	10.8
1948	15.6	8.3	0.4	21.3	23.6	6.8	16.0	9.2	15.4	14.9
1949	8.3	−4.3	27.3	15.5	−11.0	8.3	7.4	2.5	15.1	7.8
1950	8.0	34.2	27.4	34.8	7.5	2.9	9.3	10.0	13.2	10.2
1951	18.0	14.0	−6.2	15.1	42.9	6.3	17.3	23.4	17.3	17.3
1952	12.5	−2.9	−9.5	15.2	0.5	7.0	13.6	9.9	10.3	14.2
1953	8.9	−1.6	−5.2	12.4	−22.2	11.8	4.1	7.0	12.1	5.3
1954	2.7	−10.9	3.4	8.8	−37.2	4.1	−1.5	1.6	10.6	−0.4
1955	7.4	31.6	17.3	23.4	22.0	10.0	10.4	9.2	12.1	10.5
1956	13.2	14.6	13.7	13.3	14.6	0.8	11.9	12.3	14.0	12.5
1957	8.7	−7.2	10.3	11.3	−29.2	4.7	4.7	6.5	9.1	4.9
1958	2.7	2.2	−0.8	7.5	22.9	3.6	3.8	1.5	−0.1	3.6
1959	6.8	15.7	7.3	−0.4	−9.7	4.1	6.5	9.0	7.8	6.4
1960	5.3	−3.3	−6.3	7.0	1.3	−0.8	3.8	4.2	6.6	4.2
1961	4.5	4.2	25.4	17.4	−17.8	0.1	3.3	5.5	2.9	3.5
1962	7.2	13.1	0.2	10.7	60.1	−0.3	8.9	12.6	8.0	8.4
1963	6.6	10.2	4.7	9.9	14.5	10.1	7.7	4.9	6.3	7.3
1964	9.1	19.0	21.6	10.6	−16.5	4.6	9.1	12.7	6.4	9.5
1965	11.5	8.8	3.4	8.8	8.8	6.5	10.1	13.0	7.5	10.3
1966	13.2	5.2	2.5	9.2	40.2	6.6	12.4	10.7	9.0	11.9
1967	10.6	−2.0	−0.8	16.0	−33.3	7.6	7.1	9.1	6.5	6.8
1968	9.0	9.9	5.8	10.4	12.6	7.4	9.3	10.1	7.0	8.9
1969[5]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.3
	(Seasonally adjusted)									
1968 I	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
II	3.0	6.2	17.2	3.1	−12.6	3.7	3.0	−0.3	−0.3	1.8
III	2.2	5.4	−4.1	2.5	14.7	2.4	2.9	1.5	0.8	2.3
IV	3.3	10.1	−20.4	4.8	6.4	1.6	4.3	4.6	−0.4	3.6
1969 I	3.1	−0.3	16.0	8.4	−3.0	−0.9	2.0	4.2	4.6	2.8
II	2.9	0.3	−1.4	−0.9	3.4	−1.5	1.8	0.6	−3.3	1.1
III	2.6	−12.4	−6.1	2.6	−5.8	2.5	1.1	0.5	5.0	1.7
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.

[1], [2], [3], [4] See footnotes (1), (2), (3), (4) on reference table 8.
[5] Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 10

STRUCTURAL CHANGES IN INCOME

(Per Cent distribution of Gross National Product by Components)

1947 to 1969

Years and Quarters	Wages, Salaries and Supplementary Labour Income[1]	Corporation Profits		Interest and Miscellaneous Investment Income	Accrued Net Income of Farm Operations from Farm Production[3]	Net Income of Non-Farm Unincorporated Business Including Rents[4]	Inventory Valuation Adjustment[5]	Net National Income at Factor Cost	Indirect Taxes less Subsidies	Capital Consumption Allowances and Miscellaneous Valuation Adjustment	Residual Error of Estimate	Gross National Product at Market Prices
		Corporation Profits Before Taxes	Dividends Paid to Non-Residents[2]									
1947	49.2	13.8	−1.9	1.5	8.4	10.8	−4.3	77.5	12.7	9.9	−0.1	100.0
1948	49.6	13.0	−1.6	1.6	9.0	10.1	−3.5	78.2	12.1	9.9	−0.2	100.0
1949	49.8	11.5	−1.9	1.7	7.5	10.1	−0.7	78.0	11.5	10.6	−0.1	100.0
1950	48.8	14.0	−2.2	2.1	7.3	9.5	−2.2	77.3	11.5	10.9	0.3	100.0
1951	49.1	13.6	−1.8	2.0	8.9	8.6	−3.0	77.4	12.1	10.9	−0.4	100.0
1952	48.4	11.6	−1.4	2.1	7.8	8.0	0.5	77.0	11.6	10.6	0.8	100.0
1953	50.0	10.8	−1.3	2.2	5.8	8.5	0.1	76.1	11.8	11.2	0.9	100.0
1954	51.6	9.7	−1.3	2.4	3.6	8.9	0.3	75.2	12.0	12.5	0.3	100.0
1955	50.1	11.5	−1.4	2.7	4.0	8.9	−0.7	75.1	11.9	12.6	0.4	100.0
1956	50.4	11.8	−1.4	2.7	4.1	8.0	−0.9	74.7	11.9	12.8	0.6	100.0
1957	52.2	10.4	−1.5	2.9	2.8	7.9	−0.2	74.5	12.1	13.3	0.1	100.0
1958	51.8	10.3	−1.4	3.0	3.3	7.9	−0.2	74.7	11.8	12.9	0.6	100.0
1959	52.0	11.2	−1.5	2.8	2.8	7.8	−0.3	74.8	12.1	13.0	0.1	100.0
1960	52.6	10.4	−1.3	2.8	2.7	7.4	−0.1	74.5	12.2	13.3	—	100.0
1961	53.1	10.4	−1.6	3.2	2.2	7.2	−0.1	74.4	12.4	13.2	—	100.0
1962	52.5	10.9	−1.5	3.3	3.2	6.6	−0.3	74.7	12.9	13.2	−0.8	100.0
1963	52.2	11.2	−1.4	3.4	3.4	6.8	−0.6	75.0	12.6	13.1	−0.7	100.0
1964	52.0	12.1	−1.6	3.4	2.6	6.5	−0.3	74.7	13.0	12.7	−0.4	100.0
1965	52.6	12.0	−1.5	3.4	2.5	6.2	−0.6	74.6	13.3	12.4	−0.3	100.0
1966	53.2	11.3	−1.4	3.3	3.2	5.9	−0.6	74.9	13.1	12.1	−0.1	100.0
1967	55.0	10.3	−1.3	3.6	2.0	6.0	−0.4	75.2	13.4	12.0	−0.6	100.0
1968	55.1	10.4	−1.2	3.6	2.1	5.9	−0.5	75.4	13.6	11.8	−0.8	100.0
	(Seasonally adjusted at annual rates)											
1968 I	54.7	9.8	−1.2	3.6	2.2	5.8	−0.5	74.4	13.8	12.2	−0.4	100.0
II	55.3	10.2	−1.4	3.6	1.9	6.0	−0.3	75.3	13.5	12.0	−0.8	100.0
III	55.2	10.5	−1.3	3.6	2.1	6.0	−0.4	75.7	13.4	11.8	−0.9	100.0
IV	55.1	11.2	−1.0	3.7	2.1	5.8	−0.7	76.2	13.5	11.3	−1.0	100.0
1969 I	55.2	10.8	−1.1	3.9	2.0	5.6	−0.8	75.6	13.7	11.6	−0.9	100.0
II	56.2	10.7	−1.1	3.8	2.1	5.5	−1.0	76.2	13.7	11.0	−0.9	100.0
III	56.7	9.3	−1.0	3.8	1.9	5.5	−0.5	75.7	13.5	11.4	−0.6	100.0
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.
[1], [2], [3], [4], [5], see footnotes (1), (2), (3), (4), (5) on reference table 8.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 11

PERSONAL INCOME AND EXPENDITURE

1947 to 1969

	Personal Income	Personal Disposable Income	Personal Expenditure	Personal Saving	Ratio of Personal Saving to Personal Disposable Income	Personal Disposable Income Per Capita	Personal Expenditure Per Capita
	(Millions of dollars)						
1947	10,583	9,621	9,054	509	5.3	721	703
1948	12,161	11,128	10,051	982	8.8	868	763
1949	12,902	11,889	10,892	960	8.1	884	810
1950	13,681	12,704	11,991	647	5.1	926	874
1951	16,159	14,803	13,399	1,325	9.0	1,057	956
1952	17,900	16,230	14,818	1,319	8.1	1,122	1,025
1953	18,932	17,100	15,717	1,271	7.4	1,152	1,059
1954	19,006	17,157	16,561	465	2.7	1,122	1,083
1955	20,573	18,639	17,902	590	3.2	1,187	1,140
1956	22,817	20,593	19,466	954	4.6	1,281	1,211
1957	24,500	22,044	20,886	950	4.3	1,327	1,257
1958	25,893	23,555	22,211	1,124	4.8	1,379	1,300
1959	27,425	24,757	23,620	882	3.6	1,416	1,351
1960	28,921	25,893	24,705	909	3.5	1,449	1,382
1961	29,411	26,211	25,120	792	3.0	1,437	1,377
1962	31,966	28,518	26,636	1,565	5.5	1,535	1,433
1963	34,109	30,448	28,364	1,749	5.7	1,608	1,498
1964	36,618	32,385	30,647	1,379	4.3	1,679	1,589
1965	40,591	35,787	33,134	2,249	6.3	1,822	1,687
1966	45,702	39,499	36,057	2,999	7.6	1,973	1,802
1967	50,207	42,791	38,998	3,295	7.7	2,097	1,911
1968	55,170	46,384	42,360	3,516	7.6	2,236	2,042
1969[1]	60,900	50,200	46,200	3,400	6.8	2,400	2,200

NOTE: These are revised National Accounts figures.
[1]Estimated by the Department of Finance.

SOURCE: *DBS National Income and Expenditure Accounts.*

REFERENCE TABLE 12

PERSONAL INCOME, CANADA AND BY PROVINCE

1949 to 1968

Years	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. and N.W.T.	Canada
	Percentage distribution of Personal Income[1]											
1949	1.3	0.4	3.6	2.6	24.2	38.7	5.8	6.2	7.1	10.2	—	100.0
1950	1.3	0.4	3.6	2.6	24.5	39.4	5.7	5.2	6.8	10.5	—	100.0
1951	1.3	0.4	3.2	2.5	24.3	38.5	5.6	6.5	7.6	9.9	0.2	100.0
1952	1.2	0.4	3.3	2.4	24.5	38.5	5.4	6.7	7.3	10.0	0.2	100.0
1953	1.3	0.3	3.3	2.3	24.9	39.1	5.2	5.9	7.3	10.1	0.2	100.0
1954	1.4	0.4	3.4	2.4	25.5	40.1	5.1	4.2	6.9	10.4	0.2	100.0
1955	1.4	0.3	3.2	2.3	24.9	40.0	5.0	5.0	7.0	10.5	0.2	100.0
1956	1.4	0.4	3.1	2.3	24.9	39.4	5.1	5.2	7.4	10.5	0.2	100.0
1957	1.4	0.3	3.1	2.2	25.3	40.5	4.9	4.2	7.0	10.8	0.2	100.0
1958	1.3	0.3	3.1	2.2	25.0	40.4	5.1	4.4	7.4	10.4	0.2	100.0
1959	1.4	0.4	3.1	2.2	24.9	40.5	5.1	4.3	7.3	10.4	0.2	100.0
1960	1.4	0.3	3.1	2.3	25.1	40.2	5.1	4.6	7.2	10.3	0.2	100.0
1961	1.5	0.3	3.2	2.2	26.0	40.5	4.9	3.6	7.3	10.2	0.2	100.0
1962	1.4	0.4	3.1	2.2	25.7	39.9	5.1	4.7	7.3	10.0	0.2	100.0
1963	1.4	0.3	3.0	2.2	25.5	40.1	4.8	4.9	7.3	10.1	0.2	100.0
1964	1.4	0.4	3.0	2.2	26.1	40.2	4.9	4.2	7.1	10.2	0.2	100.0
1965	1.4	0.3	2.9	2.2	26.0	40.3	4.7	4.4	7.1	10.3	0.2	100.0
1966	1.4	0.3	2.8	2.1	25.9	40.3	4.5	4.5	7.3	10.4	0.2	100.0
1967	1.4	0.3	2.9	2.2	26.2	40.5	4.6	4.0	7.2	10.4	0.2	100.0
1968	1.4	0.3	2.9	2.2	25.9	40.6	4.7	4.2	7.3	10.3	0.2	100.0
	Personal Income Per Capita (Dollars)											
1949	475	543	728	667	804	1,140	1,982	958	1,033	1,183	—	967
1950	519	552	760	703	845	1,205	1,007	858	1,019	1,264	—	998
1951	560	633	804	779	967	1,355	1,169	1,266	1,299	1,375	1,040	1,153
1952	588	780	896	810	1,050	1,440	1,218	1,418	1,343	1,479	1,200	1,238
1953	650	634	938	816	1,103	1,499	1,211	1,300	1,368	1,528	1,280	1,275
1954	666	683	958	841	1,106	1,489	1,173	914	1,236	1,522	1,370	1,243
1955	695	650	977	872	1,136	1,561	1,235	1,178	1,318	1,610	1,414	1,311
1956	759	838	1,027	937	1,225	1,665	1,374	1,341	1,499	1,716	1,742	1,419
1957	797	778	1,096	970	1,300	1,758	1,384	1,158	1,466	1,789	1,774	1,475
1958	801	820	1,130	998	1,320	1,798	1,507	1,272	1,580	1,756	1,667	1,516
1959	841	941	1,193	1,055	1,361	1,862	1,558	1,302	1,595	1,828	1,647	1,569
1960	895	942	1,242	1,104	1,411	1,904	1,613	1,461	1,615	1,856	1,583	1,618
1961	932	943	1,256	1,099	1,455	1,908	1,546	1,146	1,607	1,843	1,486	1,613
1962	951	1,047	1,307	1,147	1,532	2,007	1,712	1,604	1,711	1,924	1,400	1,721
1963	998	1,056	1,370	1,217	1,588	2,111	1,727	1,788	1,767	2,022	1,561	1,802
1964	1,070	1,165	1,452	1,311	1,710	2,222	1,853	1,616	1,821	2,145	1,524	1,898
1965	1,154	1,248	1,562	1,416	1,857	2,409	1,969	1,879	1,992	2,334	1,610	2,066
1966	1,274	1,367	1,713	1,571	2,045	2,648	2,153	2,154	2,281	2,542	1,674	2,283
1967	1,398	1,532	1,904	1,737	2,239	2,842	2,407	2,089	2,419	2,693	2,182	2,461
1968	1,467	1,682	2,072	1,897	2,406	3,065	2,654	2,386	2,645	2,842	2,326	2,660

REFERENCE TABLE 12 (continued)

PERSONAL INCOME, CANADA AND BY PROVINCE

1949 to 1968

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T. and N.W.T.	Canada
	Annual per cent change of Personal Income Per Capita											
1950	9.1	1.8	4.4	5.4	5.1	5.7	2.6	−10.4	−1.4	6.8	—	3.2
1951	7.9	14.6	5.8	10.8	14.4	12.4	16.1	47.5	27.6	8.8	—	15.5
1952	5.1	23.3	11.4	4.0	8.6	6.4	4.2	12.0	3.4	7.5	15.4	7.3
1953	10.5	−18.8	4.7	0.8	5.0	4.0	−0.6	−8.3	1.8	3.3	6.7	3.0
1954	2.4	7.8	2.2	3.0	0.3	−0.6	−3.2	−29.7	−9.7	−0.4	7.1	−2.5
1955	4.3	−4.9	1.9	3.7	2.7	4.8	5.3	28.8	6.7	5.8	3.2	5.4
1956	9.3	29.0	5.2	7.4	7.9	6.7	11.3	13.8	13.7	6.6	23.2	8.3
1957	5.0	−7.2	6.6	3.5	6.1	5.6	0.7	−13.6	−2.2	4.3	1.9	3.9
1958	0.5	5.4	3.1	2.9	1.5	2.3	8.9	9.8	7.7	−1.9	−6.1	2.8
1959	5.0	14.7	5.6	5.7	3.1	3.5	3.3	2.4	1.0	4.1	−1.2	3.4
1960	6.4	0.1	4.1	4.6	3.7	2.3	3.5	12.2	1.2	1.5	−3.9	3.2
1961	4.2	0.1	1.2	−0.4	3.1	0.2	−4.2	−21.6	−0.5	−0.7	−6.1	−0.4
1962	2.0	11.0	4.0	4.4	5.2	5.2	10.7	40.0	6.5	4.4	−5.8	6.7
1963	5.0	0.8	4.8	6.1	3.7	5.2	0.9	11.4	3.2	5.1	11.5	4.7
1964	7.3	10.4	6.0	7.7	7.7	5.3	7.3	−9.6	3.1	6.1	−2.4	5.4
1965	7.8	7.1	7.6	8.0	8.6	8.4	6.3	16.3	9.4	8.8	5.6	8.9
1966	10.4	9.6	9.7	11.0	10.1	9.9	9.3	14.6	14.5	8.9	4.0	10.5
1967	9.8	12.1	11.1	10.6	9.5	7.3	11.8	−3.0	6.0	6.0	30.3	7.8
1968	5.0	9.8	8.9	9.2	7.5	7.9	10.3	14.3	9.3	5.5	6.6	8.1
	Personal Income Per Capita by Province as a Percentage of Personal Income Per Capita at the National Level											
1949	49	56	75	69	83	118	102	99	107	122	—	100
1950	52	55	76	70	85	121	101	86	102	127	—	100
1951	49	55	70	68	84	118	101	110	113	119	90	100
1952	48	63	72	66	85	117	99	115	109	120	97	100
1953	51	50	74	64	87	118	95	102	107	120	101	100
1954	54	55	77	68	89	120	94	74	100	123	110	100
1955	53	50	75	67	87	119	94	90	101	123	108	100
1956	54	59	72	66	86	117	97	95	106	121	123	100
1957	54	53	74	66	88	119	94	79	100	121	120	100
1958	53	54	75	66	87	119	100	84	104	116	110	100
1959	54	60	76	67	87	119	100	83	102	117	105	100
1960	55	58	77	68	87	118	100	90	100	115	98	100
1961	58	59	78	68	90	119	96	71	100	115	92	100
1962	55	61	76	67	89	117	100	93	100	112	82	100
1963	56	59	76	68	88	117	96	99	98	113	87	100
1964	57	62	77	69	90	117	98	85	96	113	80	100
1965	56	61	76	69	90	117	96	91	97	113	78	100
1966	56	60	75	69	90	116	94	95	100	112	74	100
1967	57	62	78	71	91	116	98	85	99	110	89	100
1968	55	63	78	71	91	115	100	90	100	107	88	100

SOURCE: DBS *National Income and Expenditure Accounts.*

NOTE: Canada figure includes personal income of Canadians temporarily abroad (including pay and allowances of Canadian armed Forces abroad).

(1)Figures do not cross-add. See NOTE.

REFERENCE TABLE 13

VALUE OF RETAIL TRADE, CANADA AND BY REGION

1947 to 1969

Years and Months	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia
	(Millions of dollars)					
1947	6,963.4[1]	563.6[1]	1,621.1	2,721.1	1,320.8	736.9
1948	7,835.0[1]	607.3[1]	1,792.0	3,067.2	1,550.7	817.8
1949	8,532.0	734.2	1,872.0	3,293.6	1,758.1	874.1
1950	9,617.2	822.2	2,183.0	3,715.4	1,914.4	982.1
1951	10,693.1	898.5	2,442.6	4,129.8	2,122.3	1,099.8
1952	11,567.2	970.7	2,657.8	4,409.2	2,339.9	1,189.6
1953	12,189.4	1,004.4	2,793.1	4,665.6	2,485.3	1,241.0
1954	12,317.2	1,023.6	2,867.7	4,761.7	2,390.6	1,273.6
1955	13,472.8	1,124.7	3,109.3	5,295.7	2,496.1	1,447.0
1956	14,773.7	1,208.6	3,463.0	5,734.3	2,727.8	1,640.0
1957	15,423.3	1,233.0	3,709.6	5,943.1	2,854.5	1,683.2
1958	16,139.1	1,286.7	3,854.4	6,271.1	3,021.3	1,705.5
1959	17,087.1	1,356.5	4,114.2	6,614.9	3,208.1	1,793.4
1960	17,390.5	1,421.0	4,213.1	6,750.7	3,250.3	1,755.3
1961	17,752.3	1,455.6	4,490.1	6,808.0	3,238.1	1,760.5
1961[2]	16,073.0	1,380.5	4,108.0	6,206.7	2,773.6	1,604.2
1962	17,093.8	1,424.8	4,482.8	6,504.4	2,945.2	1,736.7
1963	18,115.7	1,502.2	4,764.0	6,903.1	3,096.1	1,850.3
1964	19,350.9	1,602.0	5,108.2	7,299.4	3,301.8	2,039.6
1965	20,954.0	1,743.0	5,515.3	7,950.7	3,503.4	2,241.7
1966	22,415.9	1,840.2	5,857.1	8,496.9	3,800.5	2,421.1
1967	23,785.2	1,894.8	6,108.0	8,870.4	4,012.8	2,547.6
1968	25,412.4	2,102.4	6,459.6	9,806.4	4,245.6	2,796.0
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)					
1969 J	2,213.3	181.9	549.1	879.4	356.6	239.0
F	2,260.2	185.5	569.9	885.9	378.2	246.8
M	2,228.0	191.9	553.2	861.9	367.0	250.3
A	2,211.5	167.5	571.8	866.4	363.7	242.2
M	2,228.1	171.4	563.5	865.9	368.7	264.2
J	2,242.0	175.7	559.5	875.2	371.3	253.7
J	2,242.1	179.6	568.8	883.5	373.8	248.7
A	2,261.7	181.8	566.5	885.5	376.6	250.4
S	2,284.4	189.0	585.4	901.1	371.5	256.5
O	2,314.3	182.4	587.8	892.1	374.4	263.7

NOTE: Figures may not cross-add due to rounding.
[1]Excludes Newfoundland.
[2]Break in series is due to changes in the Standard Industrial Classification.

SOURCE: DBS *Retail Trade*, Monthly, Cat. 63-005.

REFERENCE TABLE 14

PRIVATE AND PUBLIC INVESTMENT IN CANADA

1947 to 1969

(Millions of dollars)

Years	Capital Expenditures			Repair Expenditures	Total	Capital Expenditures			Repair Expenditures	Total
	Construction	Machinery and Equipment	Sub-Total			Construction	Machinery and Equipment	Sub-Total		
	Primary and Construction Industries					Manufacturing				
1947	87	317	404	195	599	185	343	528	273	801
1948	127	382	509	218	727	181	392	573	329	902
1949	159	461	620	263	883	157	379	536	339	875
1950	173	528	701	292	993	135	367	502	347	849
1951	212	601	813	311	1,124	268	525	793	422	1,215
1952	248	631	879	360	1,239	344	629	973	459	1,432
1953	287	648	935	375	1,310	325	644	969	480	1,449
1954	309	512	821	368	1,189	288	534	822	489	1,311
1955	387	612	999	411	1,410	345	602	947	513	1,460
1956	534	772	1,306	475	1,781	488	906	1,394	578	1,972
1957	544	702	1,246	461	1,707	520	959	1,479	613	2,092
1958	378	619	997	468	1,465	398	697	1,095	572	1,667
1959	396	678	1,074	517	1,591	374	770	1,144	662	1,806
1960	451	683	1,134	522	1,656	335	843	1,178	671	1,849
1961	572	639	1,211	512	1,723	279	806	1,085	682	1,767
1962	568	738	1,306	536	1,842	353	916	1,269	750	2,019
1963	599	879	1,478	586	2,064	355	1,003	1,358	801	2,159
1964	702	1,051	1,753	660	2,413	443	1,388	1,831	896	2,727
1965	869	1,151	2,020	724	2,744	604	1,736	2,340	974	3,314
1966	1,066	1,348	2,414	796	3,210	788	2,126	2,914	1,096	4,010
1967	1,069	1,427	2,496	854	3,350	677	1,857	2,534	1,156	3,690
1968	1,053	1,344	2,397	887	3,284	584	1,634	2,218	1,159	3,377
1969	1,089	1,327	2,416	923	3,339	710	1,962	2,672	1,202	3,874
	Utilities					Trade, Finance and Commercial Services				
1947	174	236	410	373	783	112	90	202	96	298
1948	282	284	566	438	1,004	159	122	281	101	382
1949	376	313	689	465	1,154	142	151	293	120	413
1950	437	322	759	483	1,242	207	192	399	128	527
1951	497	442	939	545	1,484	201	210	411	160	571
1952	701	493	1,194	598	1,792	160	183	343	125	468
1953	692	562	1,254	635	1,889	283	243	526	135	661
1954	610	554	1,164	606	1,770	319	263	582	133	715
1955	649	487	1,136	600	1,736	296	265	561	130	691
1956	1,086	676	1,762	640	2,402	327	284	611	138	749
1957	1,475	833	2,308	677	2,985	383	307	690	146	836
1958	1,405	748	2,153	650	2,803	396	309	705	146	851
1959	1,118	724	1,842	703	2,545	462	371	833	168	1,001
1960	1,074	698	1,772	713	2,485	466	409	875	168	1,043
1961	1,088	610	1,698	723	2,421	451	396	847	162	1,009
1962	982	619	1,601	734	2,335	438	422	860	164	1,024
1963	1,111	660	1,771	774	2,545	468	450	918	183	1,101
1964	1,332	727	2,059	822	2,881	548	494	1,042	195	1,237
1965	1,443	980	2,423	867	3,290	705	564	1,269	220	1,489
1966	1,666	1,260	2,926	945	3,871	860	667	1,527	248	1,775
1967	1,748	1,397	3,145	1,019	4,164	764	770	1,534	272	1,806
1968	1,856	1,412	3,268	983	4,251	707	742	1,449	262	1,711
1969	2,183	1,384	3,567	1,048	4,615	839	890	1,729	276	2,005

REFERENCE TABLE 14 (Continued)

PRIVATE AND PUBLIC INVESTMENT IN CANADA

1947 to 1969

(Millions of dollars)

Years	Capital Expenditures			Repair Expenditures	Total	Capital Expenditures			Repair Expenditures	Total
	Construction	Machinery and Equipment	Sub-Total			Construction	Machinery and Equipment	Sub-Total		
	Institutions					Housing				
1947	78	13	91	23	114	526	—	526	155	681
1948	126	22	148	37	185	635	—	635	189	824
1949	172	23	195	35	230	822	—	822	206	1,028
1950	187	26	213	34	247	923	—	923	226	1,149
1951	212	30	242	40	282	947	—	947	270	1,217
1952	252	33	285	40	325	971	—	971	287	1,258
1953	270	33	303	42	345	1,189	—	1,189	304	1,493
1954	297	41	338	42	380	1,238	—	1,238	316	1,554
1955	367	41	408	49	457	1,397	—	1,397	338	1,735
1956	359	43	402	52	454	1,547	—	1,547	355	1,902
1957	407	47	454	56	510	1,430	—	1,430	383	1,813
1958	457	57	514	57	571	1,782	—	1,782	407	2,189
1959	479	57	536	59	595	1,752	—	1,752	431	2,183
1960	500	73	573	71	644	1,456	—	1,456	457	1,913
1961	536	81	617	78	695	1,467	—	1,467	484	1,951
1962	729	105	834	76	910	1,587	—	1,587	513	2,100
1963	757	116	873	75	948	1,713	—	1,713	544	2,257
1964	648	123	771	79	850	2,028	—	2,028	577	2,605
1965	867	145	1,012	82	1,094	2,133	—	2,133	618	2,751
1966	1,020	184	1,204	93	1,297	2,181	—	2,181	661	2,842
1967	1,107	208	1,315	113	1,428	2,352	—	2,352	713	3,065
1968	1,201	214	1,415	121	1,536	2,844	—	2,844	729	3,573
1969	1,252	218	1,470	132	1,602	3,258	—	3,258	972	4,030
	Government Departments					Grand Total				
1947	235	44	279	145	424	1,397	1,043	2,440	1,260	3,700
1948	314	61	375	158	533	1,824	1,263	3,087	1,470	4,557
1949	338	46	384	146	530	2,166	1,373	3,539	1,574	5,113
1950	391	48	439	185	624	2,453	1,483	3,936	1,695	5,631
1951	534	60	594	220	814	2,871	1,868	4,739	1,968	6,707
1952	758	88	846	216	1,062	3,434	2,057	5,491	2,085	7,576
1953	710	90	800	235	1,035	3,756	2,220	5,976	2,206	8,182
1954	676	80	756	268	1,024	3,737	1,984	5,721	2,222	7,943
1955	728	68	796	268	1,064	4,169	2,075	6,244	2,309	8,553
1956	932	80	1,012	282	1,294	5,273	2,761	8,034	2,520	10,554
1957	1,025	85	1,110	288	1,398	5,784	2,933	8,717	2,624	11,341
1958	1,014	104	1,118	314	1,432	5,830	2,534	8,364	2,614	10,978
1959	1,128	108	1,236	341	1,577	5,709	2,708	8,417	2,881	11,298
1960	1,171	103	1,274	383	1,657	5,453	2,809	8,262	2,985	11,247
1961	1,125	122	1,247	380	1,627	5,518	2,654	8,172	3,021	11,193
1962	1,130	128	1,258	388	1,646	5,787	2,928	8,715	3,161	11,876
1963	1,154	128	1,282	393	1,675	6,157	3,236	9,393	3,356	12,749
1964	1,303	157	1,460	402	1,862	7,004	3,940	10,944	3,631	14,575
1965	1,494	174	1,668	442	2,110	8,115	4,750	12,865	3,927	16,792
1966	1,702	222	1,924	526	2,450	9,283	5,807	15,090	4,365	19,455
1967	1,731	215	1,946	573	2,519	9,448	5,874	15,322	4,700	20,022
1968	1,891	196	2,087	526	2,613	10,136	5,542	15,678	4,667	20,345
1969	2,053	191	2,244	550	2,794	11,384	5,972	17,356	4,903	22,259

NOTE: 1968 figures are preliminary actual and 1969 figures are a revised forecast.

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada*, Occasional, Cat. 61-504, Annual, Cat. 61-205.

REFERENCE TABLE 15

PRIVATE AND PUBLIC INVESTMENT BY REGION

1952 to 1969

Years	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Atlantic Region	Quebec
	(Millions of dollars)					
1952	86	17	133	104	340	1,283
1953	80	18	157	108	363	1,374
1954	73	19	156	119	367	1,362
1955	89	21	164	168	442	1,546
1956	94	24	183	186	487	1,851
1957	100	22	188	159	469	2,029
1958	107	30	185	182	504	2,054
1959	115	37	226	203	581	2,094
1960	146	37	234	180	597	2,007
1961	184	38	224	171	617	2,008
1962	261	43	223	179	706	2,154
1963	236	43	234	189	702	2,301
1964	231	39	270	257	797	2,828
1965	228	57	318	334	937	3,206
1966	341	57	412	391	1,201	3,446
1967	359	45	463	377	1,244	3,214
1968	414	44	498	333	1,289	3,301
1969	454	41	557	383	1,435	3,467
	Ontario	Manitoba	Saskatchewan	Alberta	Prairie Region	British Columbia[a]
	(Millions of dollars)					
1952	1,899	242	313	602	1,157	604
1953	2,106	286	357	730	1,373	626
1954	2,089	270	377	627	1,274	533
1955	2,271	301	349	735	1,385	707
1956	2,842	364	485	901	1,750	1,089
1957	3,266	371	455	834	1,660	1,293
1958	3,104	409	477	890	1,776	925
1959	2,900	484	467	947	1,898	944
1960	2,856	487	474	946	1,907	895
1961	2,794	417	454	981	1,852	901
1962	3,054	424	513	937	1,874	927
1963	3,282	491	603	995	2,089	1,019
1964	3,747	528	648	1,100	2,276	1,296
1965	4,379	537	773	1,320	2,630	1,713
1966	5,261	656	928	1,564	3,148	2,034
1967	5,357	719	964	1,675	3,358	2,149
1968	5,522	808	982	1,742	3,532	2,034
1969	6,422	876	894	1,982	3,752	2,280

NOTE: 1968 figures are preliminary actual and 1969 figures are a revised forecast.

[a]Includes Yukon and Northwest Territories.

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada*.

REFERENCE TABLE 16

CHANGES IN PRIVATE AND PUBLIC INVESTMENT, CANADA AND BY REGION

1953 to 1969

Years	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia[1]
	(Per cent change from previous year)					
1953	10.6	6.8	7.1	10.9	18.7	3.6
1954	−3.7	1.1	−0.9	−0.8	−7.2	−14.9
1955	12.9	20.4	13.5	8.7	8.7	32.6
1956	26.3	10.2	19.7	25.1	26.4	54.0
1957	8.7	−3.7	9.6	14.9	−5.1	18.7
1958	−4.1	7.5	1.2	−5.0	7.0	−28.5
1959	0.6	15.3	1.9	−6.6	6.9	2.1
1960	−1.8	2.8	−4.2	−1.5	0.5	−5.2
1961	−1.1	3.4	–	−2.2	−2.9	0.7
1962	6.6	14.4	7.3	9.3	1.2	2.9
1963	7.8	−0.6	6.8	7.5	11.5	9.9
1964	16.5	13.5	22.9	14.2	9.0	27.2
1965	17.6	17.6	13.4	16.9	15.6	32.2
1966	17.3	28.2	7.5	20.1	19.7	18.7
1967	1.5	3.6	−6.7	1.8	6.7	5.7
1968	2.3	3.6	2.7	3.1	5.2	−5.4
1969	10.7	11.3	5.0	16.3	6.2	12.1

NOTE: 1968 figures are preliminary actual and 1969 figures are a revised forecast.

[1]See footnote (1) on reference table 15.

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada.*

REFERENCE TABLE 17

DWELLING STARTS, COMPLETIONS AND UNDER CONSTRUCTION

1947 to 1969

Years and Quarters	Starts			Completions			Under Construction[1]	
	Centres of 5,000 Population and Over[2]	Other Areas	Total	Centres of 5,000 Population and Over[2]	Other Areas	Total	Centres of 5,000 Population and Over[2]	Total
	(Number of units)							
1947	n.a.	n.a.	74,300	44,600	27,600	72,200	n.a.	42,200
1948	57,671	32,523	90,194	48,006	28,091	76,097	39,217	56,456
1949	58,370	32,139	90,509	60,262	27,971	88,233	37,344	59,503
1950	68,599	23,932	92,531	62,847	26,168	89,015	41,510	60,538
1951	47,374	21,205	68,579	61,167	20,143	81,310	26,783	45,926
1952	63,443	19,803	83,246	54,346	18,741	73,087	36,998	55,689
1953	80,313	22,096	102,409	73,375	23,464	96,839	42,808	59,923
1954	89,755	23,772	113,527	80,593	21,372	101,965	51,302	68,641
1955	97,386	40,890	138,276	93,942	33,987	127,929	53,677	79,339
1956	87,309	40,002	127,311	95,152	40,548	135,700	44,386	68,579
1957	84,875	37,465	122,340	80,995	36,288	117,283	49,508	72,573
1958	121,695	42,937	164,632	107,839	38,847	146,686	63,080	88,162
1959	105,991	35,354	141,345	108,059	37,612	145,671	59,879	81,905
1960	76,687	32,171	108,858	90,513	33,244	123,757	44,975	65,773
1961	92,741	32,836	125,577	83,148	32,460	115,608	53,195	73,583
1962	104,279	25,816	130,095	100,447	26,235	126,682	60,541	76,153
1963	120,950	27,674	148,624	101,529	26,662	128,191	79,233	96,613
1964	136,206	29,452	165,658	123,902	27,061	150,963	89,950	107,718
1965	138,779	27,786	166,565	125,475	27,562	153,037	101,786	119,854
1966	108,434	26,040	134,474	135,134	27,058	162,192	71,722	88,621
1967	131,858	32,265	164,123	120,163	29,079	149,242	82,616	102,716
1968	162,267	34,611	196,878	136,337	34,656	170,993	106,834	126,638
1969	169,739	40,676	210,415	159,089	36,737	195,826	114,386	137,357
	(Seasonally adjusted at annual rates)							
1968 I	165,300	36,500	201,800	128,900	35,300	164,200	83,500	105,900
II	154,100	35,000	189,100	128,200	34,200	162,400	93,200	112,900
III	139,900	33,900	173,800	138,500	36,100	174,600	94,000	112,900
IV	196,600	34,500	231,100	148,800	33,200	182,000	100,000	120,800
1969 I	227,200	47,800	275,000	143,900	31,100	175,000	117,900	143,600
II	169,800	43,800	213,600	169,900	36,500	206,400	117,200	142,000
III	153,500	40,600	194,100	160,300	41,100	201,400	116,000	140,300
IV	155,200	35,000	190,200	160,000	37,900	197,500	130,500	152,500

[1]At end of period.

[2]Data for years 1967 to 1969 and all quarters are based on areas of 10,000 population and over.

SOURCE: CMHC *Canadian Housing Statistics.*

REFERENCE TABLE 18

DWELLING STARTS AND COMPLETIONS BY TYPE

1947 to 1969

Years and Quarters	Starts					Completions				
	Single Detached	Semi-Detached and Duplex	Row	Apartment	Total	Single Detached	Semi-Detached and Duplex	Row	Apartment	Total
	(Number of units)									
1947	n.a.	n.a.	n.a.	n.a.	74,263	n.a.	n.a.	n.a.	n.a.	72,218
1948	73,399	7,488	1,810	7,497	90,194	61,787	4,560	1,607	8,143	76,097
1949	71,425	7,536	—	11,548	90,509	68,966	7,309	485	11,473	88,233
1950	68,675	8,664	631	14,561	92,531	68,685	7,376	145	12,809	89,015
1951	53,002	5,658	54	9,865	68,579	60,366	7,568	585	12,791	81,310
1952	60,696	5,360	299	16,891	83,246	55,967	5,314	99	11,707	73,087
1953	70,782	7,202	553	23,872	102,409	68,916	7,714	372	19,837	96,839
1954	78,574	6,498	1,000	27,455	113,527	71,760	6,098	1,065	23,042	101,965
1955	99,003	10,606	1,909	26,758	138,276	90,553	8,278	1,547	27,551	127,929
1956	90,620	9,441	2,263	24,987	127,311	95,656	11,872	2,137	26,035	135,700
1957	82,955	9,272	2,214	27,899	122,340	81,096	8,464	2,350	25,373	117,283
1958	104,508	10,713	2,457	46,954	164,632	96,830	10,004	2,226	37,626	146,686
1959	92,178	10,468	1,908	36,791	141,345	95,455	10,923	2,308	36,985	145,671
1960	67,171	9,699	2,301	29,687	108,858	78,113	9,911	1,616	34,117	123,757
1961	76,430	11,650	1,864	35,633	125,577	76,171	10,593	2,019	26,825	115,608
1962	74,443	10,975	3,742	40,935	130,095	75,593	11,922	2,451	36,716	126,682
1963	77,158	7,891	3,895	59,680	148,624	71,585	7,150	3,487	45,969	128,191
1964	77,079	8,706	4,755	75,118	165,658	76,225	8,091	3,861	62,786	150,963
1965	75,441	7,924	5,306	77,894	166,565	75,104	8,730	4,097	65,106	153,037
1966	70,642	7,281	5,000	51,551	134,474	73,858	7,707	6,412	74,215	162,192
1967	72,534	9,939	7,392	74,258	164,123	73,631	9,089	5,431	61,091	149,242
1968	75,339	10,114	8,042	103,383	196,878	74,640	10,098	7,896	78,359	170,993
1969	78,404	10,373	10,721	110,917	210,415	78,584	10,483	7,827	98,932	195,826
	(Not seasonally adjusted)									
1968 I	9,854	1,443	792	14,689	26,778	17,176	2,584	1,553	13,899	35,212
II	22,349	2,775	2,225	29,545	56,894	16,721	2,429	2,411	18,881	40,442
III	21,596	2,535	2,515	25,928	52,574	19,578	2,376	1,761	20,147	43,862
IV	21,540	3,361	2,510	33,221	60,632	21,165	2,709	2,171	25,432	51,477
1969 I	13,177	1,892	1,646	22,167	38,882	15,840	2,119	1,319	18,373	37,651
II	24,712	3,035	2,922	33,079	63,748	18,368	2,738	1,715	29,732	52,553
III	22,447	2,996	2,716	30,484	58,643	21,696	2,649	2,298	23,368	50,011
IV	18,068	2,450	3,437	25,187	49,142	22,680	2,977	2,495	27,459	55,611

SOURCE: CMHC *Canadian Housing Statistics.*
CMHC *Housing in Canada.*

REFERENCE TABLE 19

MANUFACTURERS' INVENTORIES, SHIPMENTS AND ORDERS

(Monthly averages)

1961 to 1969

Years, Quarters and Months	Manufacturing					Durable Manufacturing			Non-Durable Manufacturing		
	Shipments	New Orders Received	Unfilled Orders	Total Inventories Held	Ratio of Goods in Process + Finished Products to Shipments	Shipments	New Orders Received	Unfilled Orders	Shipments	New Orders Received	Unfilled Orders
	(Millions of dollars)										
1961	1,953.2	1,985.0(1)	1,959.9	4,529.4	1.35	769.3	792.1(1)	1,525.9	1,183.9	1,192.9(1)	434.0
1962	2,149.2	2,158.3	2,177.2	4,866.9	1.34	882.6	894.0	1,747.3	1,266.6	1,264.0	430.0
1963	2,334.6	2,344.4	2,198.6	5,085.0	1.31	987.6	994.6	1,783.6	1,347.0	1,349.8	415.0
1964	2,571.4	2,600.9	2,497.2	5,435.9	1.26	1,120.7	1,150.9	2,069.4	1,450.7	1,450.0	427.8
1965	2,824.1	2,866.9	2,950.3	5,951.7	1.25	1,281.2	1,358.1	2,950.2	1,542.9	1,548.8	459.5
1966	3,077.4	3,126.5	3,523.3	6,661.8	1.30	1,404.9	1,455.2	3,043.9	1,672.4	1,671.2	479.4
1967	3,211.1	3,211.2	3,740.9	7,178.7	1.38	1,454.3	1,456.2	3,278.1	1,756.8	1,754.9	462.8
1968	3,387.4	3,378.6	3,663.8	7,220.7	1.32	1,569.9	1,556.6	3,177.9	1,817.8	1,822.2	488.2
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)										
1968 I	3,226.2	3,192.3	3,711.7	7,205.3	1.37	1,445.3	1,401.1	3,237.5	1,780.9	1,791.2	474.2
II	3,344.8	3,328.2	3,644.6	7,159.2	1.32	1,534.8	1,523.6	3,164.3	1,809.9	1,804.6	480.3
III	3,458.2	3,465.7	3,629.0	7,237.1	1.30	1,644.5	1,640.7	3,142.8	1,813.7	1,824.9	486.1
IV	3,521.7	3,529.3	3,679.0	7,288.3	1.28	1,655.1	1,661.1	3,167.0	1,866.6	1,868.2	512.0
1969 I	3,602.9	3,595.6	3,674.7	7,425.6	1.27	1,712.0	1,706.4	3,174.0	1,890.9	1,889.2	500.6
II	3,585.2	3,615.3	3,695.7	7,546.8	1.31	1,673.7	1,704.1	3,192.9	1,911.5	1,911.1	502.7
III	3,674.1	3,734.2	3,850.3	7,720.7	1.31	1,743.6	1,797.2	3,343.6	1,930.5	1,937.0	506.7
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)										
1969 J	3,539.2	3,518.3	3,656.8	7,371.6	1.29	1,671.8	1,659.9	3,158.6	1,867.4	1,858.4	498.2
F	3,638.5	3,693.2	3,711.5	7,434.5	1.26	1,734.9	1,786.1	3,209.8	1,903.6	1,907.1	501.7
M	3,631.1	3,575.3	3,655.7	7,470.6	1.27	1,729.3	1,673.2	3,153.7	1,901.8	1,902.1	502.0
A	3,509.6	3,539.1	3,685.2	7,505.5	1.33	1,626.0	1,650.7	3,178.4	1,883.6	1,888.4	506.8
M	3,593.3	3,564.0	3,655.9	7,544.3	1.31	1,696.5	1,673.5	3,155.4	1,896.8	1,890.5	500.5
J	3,652.7	3,742.7	3,745.9	7,590.5	1.30	1,698.6	1,788.2	3,245.0	1,954.1	1,954.5	500.9
J	3,676.3	3,740.7	3,815.9	7,694.6	1.30	1,717.1	1,790.5	3,322.2	1,959.2	1,950.2	493.7
A	3,702.6	3,689.6	3,802.9	7,715.1	1.30	1,791.5	1,768.2	3,298.9	1,911.1	1,921.4	504.0
S	3,658.0	3,770.2	3,915.1	7,727.5	1.30	1,707.1	1,803.7	3,395.5	1,950.9	1,966.5	519.6
O	3,683.1	3,634.3	3,866.3	7,821.0	1.32	1,724.9	1,689.9	3,360.5	1,958.2	1,944.4	505.8
N	3,672.2	3,741.1	3,935.2	7,857.6	1.33	1,692.2	1,746.1	3,414.4	1,980.0	1,995.0	520.8

p=preliminary

(1)Eleven month average for 1961 only.

SOURCE: DBS *Inventories, Shipments and Orders in Manufacturing Industries*, Monthly, Cat. 31-001.

REFERENCE TABLE 20

MANUFACTURERS' SHIPMENTS, CANADA AND BY REGION

1961 to 1969

Years and months	Nfld.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada[1]
	(Millions of dollars)									
1961	11.3	31.8	32.5	585.2	963.6	59.7	27.7	77.9	160.6	1,953.2
1962	12.0	35.5	33.4	632.5	1,076.6	62.8	29.3	84.6	179.2	2,149.2
1963	12.9	38.2	38.0	672.7	1,188.5	66.1	30.9	90.4	193.5	2,334.6
1964	13.8	43.6	41.2	731.2	1,320.3	71.8	31.8	99.5	214.5	2,571.4
1965	14.5	46.9	42.7	791.0	1,473.0	76.1	35.1	106.9	233.8	2,824.1
1966	15.8	49.9	44.5	865.0	1,606.1	84.4	38.5	115.3	253.7	3,077.4
1967	14.7	50.6	45.6	912.1	1,666.5	87.7	39.1	123.7	266.8	3,211.1
1968	14.0	54.2	47.5	944.5	1,772.9	90.8	39.7	127.3	292.7	3,387.4
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Per cent change from previous year)									
1962	6.2	11.6	2.8	8.1	11.7	5.2	5.8	8.6	11.6	10.0
1963	7.5	7.6	13.8	6.4	10.4	5.3	5.5	6.9	8.0	8.6
1964	7.0	14.1	8.4	8.7	11.1	8.6	2.9	10.1	10.9	10.1
1965	5.1	7.6	3.6	8.2	11.6	6.0	10.4	7.4	9.0	9.8
1966	9.0	6.4	4.2	9.4	9.0	10.9	9.7	7.9	8.5	9.0
1967	−7.0	1.4	2.5	5.4	3.8	3.9	1.6	7.3	5.2	4.3
1968	−4.8	7.1	4.2	3.6	6.4	3.5	1.5	2.9	9.7	5.5
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Millions of dollars not seasonally adjusted)									
1968 J	11.7	48.5	42.6	838.6	1,610.2	80.8	35.0	113.5	263.5	3,047.7
F	12.4	46.4	42.7	881.0	1,567.1	82.9	34.2	116.6	262.9	3,048.9
M	12.3	53.8	44.6	916.0	1,680.9	91.2	38.9	128.1	291.9	3,260.7
A	12.1	53.9	46.0	912.4	1,794.7	88.2	36.3	129.5	281.4	3,357.3
M	14.2	55.4	54.3	974.4	1,898.8	96.2	45.1	137.6	310.0	3,591.6
J	14.8	52.7	51.2	942.4	1,818.8	97.6	43.8	135.3	313.2	3,474.4
J	15.0	56.9	49.8	887.2	1,654.8	95.2	44.5	137.1	276.0	3,221.0
A	15.3	53.6	49.1	977.7	1,565.5	96.2	41.9	138.8	294.2	3,326.8
S	13.4	55.2	45.9	1,000.4	1,886.0	91.5	40.8	128.9	299.2	3,566.0
O	16.1	59.8	50.4	1,063.4	2,030.0	96.1	43.7	125.9	316.0	3,805.2
N	15.0	56.2	47.5	1,002.1	1,957.5	90.4	36.0	121.4	307.8	3,637.3
D	15.9	57.4	45.2	938.6	1,810.1	83.8	36.7	114.7	296.4	3,402.1
1969 J	13.8	56.0	44.4	901.8	1,782.1	85.0	33.7	118.8	270.4	3,309.6
F	12.0	50.0	42.3	918.7	1,740.5	87.7	35.2	124.3	301.8	3,316.2
M	15.4	58.9	46.2	999.2	1,972.8	92.9	37.1	132.7	336.1	3,695.0
A	11.5	54.2	45.2	982.9	1,914.7	94.4	40.0	132.1	322.2	3,500.8
M	14.9	61.8	49.6	1,017.0	1,992.0	96.8	44.2	140.4	343.8	3,764.1
J	18.6	60.1	50.9	1,027.0	1,997.0	98.5	45.3	143.7	333.5	3,778.5
J	19.0	56.4	51.3	981.3	1,798.7	100.2	45.4	142.0	308.0	3,507.0
A	17.9	58.6	52.2	1,003.3	1,643.4	101.6	48.9	145.7	300.8	3,376.8
Sp	17.8	57.0	54.2	1,095.1	1,952.5	96.6	47.3	143.4	314.5	3,782.4

p=preliminary

NOTE: Annual figures are twelve month averages.

[1]Prince Edward Island, Yukon and Northwest Territories are not published separately. They are included in the total for Canada.

SOURCE: DBS *Inventories, Shipments and Orders in Manufacturing Industries.*

REFERENCE TABLE 21

INDEXES OF REAL DOMESTIC PRODUCT BY INDUSTRY

1947 to 1969

(1961=100)

Years and Quarters	Real Domestic Product	Agriculture	Real Domestic Product less Agriculture	Mines, Quarries and Oil Wells	Manufacturing			Construction
					Total	Non-Durable	Durable	
(Weights)	(100.000)	(4.557)	(95.443)	(4.298)	(24.741)	(13.608)	(11.133)	(5.840)
1947	54.8	89.2	52.1	27.7	55.4	53.5	57.9	41.4
1948	56.7	92.1	54.0	31.8	57.8	55.3	61.0	46.3
1949	58.4	86.8	56.2	35.3	59.5	57.4	62.0	51.9
1950	62.4	94.9	60.0	38.7	63.4	61.4	66.1	56.0
1951	67.3	108.3	64.1	43.6	68.9	64.4	74.6	56.5
1952	72.5	132.6	67.8	46.5	71.5	66.2	78.0	64.1
1953	75.5	121.2	72.0	50.6	76.6	70.8	84.0	71.9
1954	74.3	93.1	72.8	56.1	74.9	71.9	78.7	73.7
1955	82.1	114.9	79.5	66.4	82.2	77.2	88.6	81.9
1956	89.1	122.0	86.5	77.1	89.9	83.5	98.0	92.2
1957	89.5	102.6	88.5	84.6	89.7	85.5	95.1	100.2
1958	91.0	113.8	89.3	86.0	88.0	86.9	80.5	103.7
1959	95.7	110.2	94.6	97.3	94.5	92.9	96.5	98.7
1960	98.0	115.3	96.6	97.4	96.1	95.4	97.0	97.0
1961	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	106.9	121.2	106.3	104.8	110.5	107.1	114.8	104.6
1963	112.3	135.8	111.2	110.6	118.0	112.5	124.7	105.9
1964	119.5	122.3	119.4	124.9	129.2	120.9	139.4	117.4
1965	127.8	128.3	127.8	131.6	141.0	128.4	156.3	133.7
1966	135.5	145.4	135.0	136.5	151.2	135.9	170.0	141.7
1967	139.1	124.7	139.8	145.2	151.7	137.6	168.9	142.4
1968	145.4	133.5	145.9	152.7	159.4	143.9	178.4	149.7
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)							
1968 I	142.7	137.4	142.9	151.2	154.0	142.3	168.2	143.1
II	144.7	130.9	145.3	152.2	158.7	143.7	177.1	151.5
III	145.6	128.4	146.5	152.9	159.6	141.9	181.3	151.8
IV	148.6	137.8	149.1	154.5	165.1	147.5	186.6	152.7
1969 I	152.1	150.9	152.2	160.8	167.7	150.7	188.4	161.2
II	151.4	147.0	151.6	149.1	168.2	150.6	189.8	160.7
III	151.4	142.7	151.9	139.5	167.6	152.4	186.2	160.4
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

REFERENCE TABLE 21 (Continued)

INDEXES OF REAL DOMESTIC PRODUCT BY INDUSTRY

1947 to 1969

(1961=100)

Years and Quarters	Electric Power, Gas and Water Utilities	Transportation, Storage and Communication	Trade			Finance, Insurance and Real Estate	Total Community, Business and Personal Service	Public Administration and Defence
			Total	Wholesale	Retail			
(Weights)	(2.812)	(9.985)	(12.721)	(4.788)	(7.933)	(12.013)	(13.789)	(7.725)
1947	28.4	57.2	57.2	53.8	59.1	n.a.	58.9	n.a.
1948	30.0	58.1	56.4	54.2	57.7	n.a.	60.8	n.a.
1949	31.6	58.2	58.8	55.6	50.6	n.a.	63.4	n.a.
1950	35.8	60.2	63.0	57.7	66.0	n.a.	65.5	n.a.
1951	40.9	65.9	63.7	62.5	64.5	n.a.	68.5	n.a.
1952	44.5	69.6	68.0	66.4	69.0	n.a.	71.7	n.a.
1953	46.7	70.5	72.6	70.3	74.0	n.a.	74.4	n.a.
1954	51.1	68.8	73.4	70.7	75.0	n.a.	75.8	n.a.
1955	57.9	78.1	81.8	79.9	82.9	n.a.	77.7	n.a.
1956	64.6	87.1	89.2	88.3	89.7	n.a.	82.4	n.a.
1957	69.5	87.4	89.2	87.3	90.4	n.a.	85.0	n.a.
1958	76.3	84.4	91.3	88.9	92.7	n.a.	88.2	n.a.
1959	86.6	91.2	97.4	98.0	97.2	n.a.	93.0	n.a.
1960	94.4	93.9	97.6	97.3	97.9	n.a.	96.7	n.a.
1961	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	107.1	104.1	105.6	105.5	105.7	104.0	105.4	103.4
1963	112.5	111.1	109.6	109.2	109.9	108.1	109.8	104.0
1964	123.3	120.2	116.0	116.1	115.9	112.9	117.0	105.2
1965	134.0	127.2	124.3	125.7	123.6	117.2	125.7	106.2
1966	147.8	136.4	129.8	130.0	129.7	120.4	132.5	109.3
1967	161.3	144.3	135.3	134.5	135.8	125.7	138.8	116.8
1968	174.4	150.2	140.1	138.9	140.8	130.6	144.1	120.1
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
				(Seasonally adjusted)				
1968 I	169.2	150.0	137.2	136.3	137.8	129.0	141.9	120.3
II	170.8	148.8	139.5	142.7	137.7	130.2	142.8	120.1
III	177.8	149.8	141.4	138.3	143.2	131.0	144.4	119.8
IV	181.6	154.2	141.3	137.2	143.8	132.1	147.3	119.4
1969 I	186.1	159.7	143.9	139.6	146.5	133.6	149.9	119.3
II	186.6	152.3	144.7	142.2	146.1	135.6	151.3	119.7
III	191.2	153.2	147.1	146.4	147.5	137.0	153.2	119.7
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base)*, Occasional, Cat. 61-506.
DBS *Index of Industrial Production*, Monthly, Cat. 61-005.

REFERENCE TABLE 22

CHANGES IN THE INDEXES OF REAL DOMESTIC PRODUCT BY INDUSTRY

1947 to 1969

(1961=100)

Years and Quarters	Real Domestic Product	Agriculture	Real Domestic Product less Agriculture	Mines, Quarries and Oil Wells	Manufacturing			Construction
					Total	Non-Durable	Durable	
	(Per cent change from previous period)							
1947	4.4	−6.1	6.1	5.3	9.3	3.9	16.7	16.6
1948	3.5	3.3	3.6	14.8	4.3	3.4	5.4	11.8
1949	3.0	−5.8	4.1	11.0	2.9	3.8	1.6	12.1
1950	6.8	9.3	6.8	9.6	6.6	7.0	6.6	7.9
1951	7.9	14.1	6.8	12.7	8.7	4.9	12.9	0.9
1952	7.7	22.4	5.8	6.7	3.8	2.8	4.6	13.5
1953	4.1	−8.6	6.2	8.8	7.1	6.9	7.7	12.2
1954	−1.6	−23.2	1.1	10.9	−2.2	1.6	−6.3	2.5
1955	10.5	23.4	9.2	18.4	9.7	7.4	12.6	11.1
1956	8.5	6.2	8.8	16.1	9.4	8.2	10.6	12.6
1957	0.4	−15.9	2.3	9.7	−0.2	2.4	−3.0	8.7
1958	1.7	10.9	0.9	1.7	−1.9	1.6	−5.9	3.5
1959	5.2	−3.2	5.9	13.1	7.4	6.9	7.8	−4.8
1960	2.4	4.6	2.1	0.1	1.7	2.7	0.5	−1.7
1961	2.0	−13.3	3.5	2.7	4.1	4.8	3.1	3.1
1962	6.9	21.2	6.3	4.8	10.5	7.1	14.8	4.6
1963	5.0	12.0	4.7	5.5	6.7	5.1	8.6	1.3
1964	6.4	−10.0	7.4	13.0	9.5	7.5	11.8	10.9
1965	6.9	4.9	7.0	5.4	9.1	6.2	12.2	13.9
1966	6.0	13.3	5.7	3.7	7.3	5.8	8.7	5.9
1967	2.7	−14.2	3.5	6.4	0.3	1.3	−0.6	0.5
1968	4.5	7.1	4.4	3.2	5.1	4.6	5.6	5.1
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)							
1968 I	1.5	12.3	1.0	0.3	0.3	2.4	−1.8	1.1
II	1.4	−4.7	1.7	0.7	3.1	1.0	5.3	5.9
III	0.6	−1.9	0.8	0.5	0.6	−1.3	2.4	0.2
IV	2.1	7.3	1.8	1.0	3.4	3.9	2.9	0.6
1969 I	2.4	9.5	2.1	4.1	1.6	2.2	1.0	5.6
II	−0.5	−2.6	−0.4	−7.3	0.3	−0.1	0.7	−0.3
III	—	−2.9	0.2	−6.4	−0.4	1.2	−1.9	−0.2
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

REFERENCE TABLE 22 (Continued)

CHANGES IN THE INDEXES OF REAL DOMESTIC PRODUCT BY INDUSTRY

1947 to 1969

(1961=100)

Years and Quarters	Electric Power, Gas and Water Utilities	Transportation, Storage and Communication	Trade			Finance, Insurance and Real Estate	Community, Business and Personal Service	Public Administration and Defence
			Total	Wholesale	Retail			
	(Per cent change from previous period)							
1947	13.1	8.5	9.0	7.8	9.4	n.a.	4.1	n.a.
1948	5.6	1.6	−1.4	0.7	−2.4	n.a.	3.2	n.a.
1949	5.3	0.2	4.3	2.6	5.0	n.a.	4.3	n.a.
1950	13.3	3.4	7.1	3.8	8.9	n.a.	3.3	n.a.
1951	14.2	9.5	1.1	8.3	−2.3	n.a.	4.6	n.a.
1952	8.8	5.6	6.8	6.2	7.0	n.a.	4.7	n.a.
1953	4.9	1.3	6.8	5.9	7.2	n.a.	3.8	n.a.
1954	9.4	−2.4	1.1	0.6	1.4	n.a.	1.9	n.a.
1955	13.3	13.5	11.4	13.0	10.5	n.a.	2.5	n.a.
1956	11.6	11.5	9.0	10.5	8.2	n.a.	6.0	n.a.
1957	7.6	0.3	—	−1.1	0.8	n.a.	3.2	n.a.
1958	9.8	−3.4	2.4	1.8	2.5	n.a.	3.8	n.a.
1959	13.5	8.1	6.7	10.2	4.9	n.a.	5.4	n.a.
1960	9.0	3.0	0.2	−0.7	0.7	n.a.	4.0	n.a.
1961	5.9	6.5	2.5	2.8	2.1	—	3.4	—
1962	7.1	4.1	5.7	5.4	5.8	4.0	5.4	3.4
1963	5.0	6.7	3.8	3.5	4.0	4.0	4.2	0.6
1964	9.7	8.3	5.8	6.4	5.6	4.4	6.6	1.2
1965	8.6	5.8	7.2	8.2	6.6	3.8	7.4	0.9
1966	10.3	7.2	4.4	3.4	5.0	2.8	5.4	2.9
1967	9.2	5.8	4.3	3.5	4.8	4.4	4.8	6.9
1968	8.1	4.1	3.5	3.3	3.7	3.9	3.8	2.8
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)							
1968 I	2.6	2.6	−0.1	−0.8	0.4	0.9	1.1	2.0
II	0.9	−0.8	1.7	4.7	−0.1	0.9	0.6	−0.2
III	4.1	0.7	1.4	−3.1	4.0	0.6	1.1	−0.3
IV	2.1	2.9	−0.1	−0.8	0.4	0.8	2.0	−0.3
1969 I	2.5	3.6	1.8	1.7	1.9	1.1	1.8	−0.1
II	0.3	−4.6	0.6	1.9	−0.3	1.5	0.9	0.3
III	2.5	0.6	1.7	3.0	1.0	1.0	1.3	—
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base)*.
DBS *Index of Industrial Production (1961=100)*.

REFERENCE TABLE 23

INDEXES OF REAL DOMESTIC PRODUCT BY MAJOR INDUSTRIAL GROUPING

1947 to 1969

(1961=100)

Years and Quarters	Commercial Industries	Commercial Industries less Agriculture	Goods-Producing Industries	Goods-Producing Industries less Agriculture	Service-Producing Industries	Non-Commercial Industries	Commercial Service-Producing Industries	Index of Industrial Production
(Weights)	(84.355)	(79.798)	(43.767)	(39.210)	(56.233)	(15.645)	(40.588)	(31.851)
1947	55.0	52.1	54.0	48.5	55.7	n.a.	55.8	48.9
1948	57.0	54.0	56.8	51.3	56.7	n.a.	56.9	51.5
1949	58.5	56.1	57.8	53.3	59.1	n.a.	59.1	53.4
1950	62.7	59.9	62.6	57.6	62.2	n.a.	62.2	57.3
1951	67.5	64.0	68.6	62.4	65.8	n.a.	65.7	62.7
1952	72.5	67.4	74.5	65.5	70.0	n.a.	69.4	65.3
1953	75.5	71.5	77.4	70.6	73.3	n.a.	72.4	70.1
1954	73.8	72.2	73.9	71.0	74.7	n.a.	73.3	70.0
1955	82.1	79.3	83.7	78.8	80.2	n.a.	79.4	77.7
1956	89.5	86.8	91.9	87.3	85.7	n.a.	85.6	85.8
1957	89.7	88.6	91.0	89.2	87.7	n.a.	87.6	87.2
1958	91.0	89.1	92.4	89.1	89.4	n.a.	88.7	86.7
1959	95.9	94.7	96.8	94.8	94.4	n.a.	94.1	94.2
1960	98.0	96.5	99.0	96.5	96.6	n.a.	96.3	96.2
1961	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	107.3	106.5	109.9	108.6	104.6	105.0	104.5	109.5
1963	113.3	112.0	116.8	114.6	108.8	107.4	109.3	116.5
1964	120.8	120.8	125.6	125.9	114.9	112.5	115.6	128.1
1965	129.6	129.6	136.4	137.3	121.2	118.4	122.0	139.1
1966	137.8	137.4	146.7	146.8	126.8	123.1	128.0	148.9
1967	140.7	141.7	146.7	149.3	133.2	130.4	134.0	151.7
1968	147.1	147.9	154.7	157.1	138.1	135.9	138.3	159.8
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)							
1968 I	144.2	144.6	150.5	152.0	136.6	134.5	n.a.	154.9
II	146.4	147.3	154.1	156.8	137.3	135.3	n.a.	158.9
III	147.4	148.5	154.9	158.0	138.4	136.2	n.a.	160.3
IV	150.7	151.5	159.6	162.1	140.1	137.1	n.a.	165.1
1969 I	154.7	154.9	164.3	165.9	142.6	138.4	n.a.	168.4
II	153.6	154.0	163.2	165.1	142.3	139.5	n.a.	167.3
III	153.5	154.1	161.3	163.4	143.8	140.4	n.a.	165.9
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base).*
DBS *Index of Industrial Production.*
DBS *Aggregate Productivity Trends.*

REFERENCE TABLE 24

CHANGES IN THE INDEXES OF REAL DOMESTIC PRODUCT
BY MAJOR INDUSTRIAL GROUPING

1947 to 1969

Years and Quarters	Commercial Industries	Commercial Industries less Agriculture	Goods-Producing Industries	Goods-Producing Industries less Agriculture	Service-Producing Industries	Non-Commercial Industries	Commercial Service-Producing Industries	Index of Industrial Production
	(Per cent change from previous period)							
1947	6.6	8.8	5.9	10.0	2.8	n.a.	7.7	9.4
1948	3.6	3.6	5.2	5.8	1.8	n.a.	2.0	5.3
1949	2.6	3.9	1.8	3.9	4.2	n.a.	3.9	3.7
1950	7.2	6.8	8.3	8.1	5.2	n.a.	5.2	7.3
1951	7.7	6.8	9.6	8.3	5.8	n.a.	5.6	9.4
1952	7.4	5.3	8.6	5.0	6.4	n.a.	5.6	4.1
1953	4.1	6.1	3.9	7.8	4.7	n.a.	4.3	7.4
1954	−2.3	1.0	−4.5	0.6	1.9	n.a.	1.2	−0.1
1955	11.2	9.8	13.3	11.0	7.4	n.a.	8.3	11.0
1956	9.0	9.5	9.8	10.8	6.9	n.a.	7.8	10.4
1957	0.2	2.1	−1.0	2.2	2.3	n.a.	2.3	1.6
1958	1.4	0.6	1.5	−0.1	1.9	n.a.	1.3	−0.6
1959	5.4	6.3	4.8	6.4	5.6	n.a.	6.1	8.7
1960	2.2	1.9	2.3	1.8	2.3	n.a.	2.3	2.1
1961	2.0	3.6	1.0	3.6	3.5	n.a.	3.8	4.0
1962	7.3	6.5	9.9	8.6	4.7	4.9	4.5	9.5
1963	5.5	5.1	6.3	5.6	4.0	2.3	4.6	6.4
1964	6.7	7.9	7.5	9.9	5.5	4.8	5.8	10.0
1965	7.2	7.4	8.6	9.0	5.5	5.2	5.5	8.5
1966	6.4	6.0	7.6	6.9	4.7	4.0	4.9	7.1
1967	2.1	3.1	—	1.7	5.0	5.9	4.7	1.8
1968	4.5	4.4	5.5	5.2	3.7	4.2	3.2	5.3
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted)							
1968 I	1.4	0.8	1.8	0.7	1.3	1.9	n.a.	0.5
II	1.5	1.9	2.4	3.2	0.5	0.6	n.a.	2.6
III	0.7	0.8	0.5	0.8	0.8	0.7	n.a.	0.9
IV	2.2	2.0	3.0	2.6	1.2	0.7	n.a.	3.0
1969 I	2.7	2.2	2.9	2.3	1.8	0.9	n.a.	2.0
II	−0.7	−0.6	−0.7	−0.5	−0.2	0.8	n.a.	0.7
III	−0.1	0.1	−1.2	−1.0	1.1	0.6	n.a.	−0.8
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *Aggregate Productivity Trends.*
DBS *Indexes of Real Domestic Product by Industry (1961 Base).*
DBS *Index of Industrial Production (1961=100).*

REFERENCE TABLE 25

MAIN COMPONENTS OF THE LABOUR MARKET[1]

1954 to 1969

Years and Months	Population 14 Years and Over	Labour Force			Employment		
		Total	Male	Female	Total	Male	Female
	(Thousands of persons)						
1954	10,391	5,493	4,263	1,231	5,243	4,044	1,199
1955	10,597	5,610	4,341	1,269	5,364	4,128	1,236
1956	10,807	5,782	4,437	1,346	5,585	4,266	1,320
1957	11,123	6,008	4,573	1,435	5,731	4,329	1,402
1958	11,388	6,137	4,641	1,496	5,706	4,263	1,442
1959	11,605	6,242	4,687	1,554	5,870	4,363	1,507
1960	11,831	6,411	4,754	1,657	5,965	4,368	1,597
1961	12,053	6,521	4,782	1,739	6,055	4,381	1,674
1962	12,280	6,615	4,819	1,797	6,225	4,488	1,737
1963	12,536	6,748	4,879	1,870	6,375	4,567	1,808
1964	12,817	6,933	4,961	1,972	6,609	4,698	1,911
1965	13,128	7,141	5,065	2,076	6,862	4,842	2,020
1966	13,475	7,420	5,193	2,227	7,152	4,983	2,169
1967	13,874	7,694	5,329	2,365	7,379	5,083	2,296
1968	14,264	7,919	5,443	2,476	7,537	5,146	2,391
1969	14,638	8,163	5,560	2,603	7,780	5,272	2,508
	(Seasonally adjusted[2])						
1969 J	14,470	8,099	5,534	2,583	7,753	5,265	2,486
F	14,495	8,128	5,533	2,605	7,779	5,265	2,515
M	14,528	8,108	5,529	2,566	7,771	5,287	2,479
A	14,557	8,207	5,571	2,647	7,842	5,283	2,554
M	14,592	8,244	5,606	2,633	7,840	5,305	2,532
J	14,619	8,258	5,626	2,605	7,835	5,316	2,509
J	14,651	8,155	5,554	2,594	7,768	5,264	2,504
A	14,687	8,143	5,551	2,590	7,745	5,249	2,495
S	14,719	8,151	5,527	2,593	7,744	5,243	2,497
O	14,748	8,128	5,548	2,607	7,742	5,248	2,504
N	14,778	8,162	5,562	2,590	7,747	5,262	2,509
D	14,809	8,193	5,579	2,614	7,798	5,279	2,517

REFERENCE TABLE 25 (Continued)

MAIN COMPONENTS OF THE LABOUR MARKET[1]

1954 to 1969

Years and Months	Unemployment Rate			Participation Rate			Unemployment	Total Immigration	Immigrants Destined to the Labour Force
	Total	Male	Female	Total	Male	Female			
	(Per cent)						(Thousands of persons)		
1954	4.6	5.1	2.6	52.9	82.2	23.7	250	154	84
1955	4.4	4.9	2.6	52.9	82.1	23.9	245	110	58
1956	3.4	3.9	1.9	53.5	82.2	24.9	197	165	91
1957	4.6	5.3	2.3	54.0	82.3	25.8	278	282	152
1958	7.0	8.1	3.6	53.9	81.7	26.2	432	125	63
1959	6.0	6.9	3.0	53.8	81.0	26.7	372	107	54
1960	7.0	8.1	3.6	54.2	80.7	27.9	446	104	54
1961	7.1	8.4	3.7	54.1	79.8	28.7	466	72	35
1962	5.9	6.9	3.3	53.9	79.1	29.0	390	75	37
1963	5.5	6.4	3.3	53.8	78.5	29.6	374	93	46
1964	4.7	5.3	3.1	54.1	78.1	30.5	324	113	56
1965	3.9	4.4	2.7	54.4	77.9	31.3	280	147	74
1966	3.6	4.0	2.6	55.1	77.8	32.8	267	195	99
1967	4.1	4.6	3.0	55.5	77.5	33.8	315	223	120
1968	4.8	5.5	3.4	55.5	77.0	34.4	382	184	95
1969	4.7	5.2	3.6	55.8	76.6	35.3	383	n.a.	n.a.
	(Seasonally adjusted[2])								
1969 J	4.3	4.7	3.6	56.0	77.1	35.3	346		
F	4.3	4.8	3.4	56.1	76.9	35.6	349	31	17
M	4.2	4.6	3.2	55.9	76.7	35.0	337		
A	4.4	5.0	3.4	56.5	77.2	36.0	365		
M	4.9	5.4	3.8	56.4	77.4	35.8	404	40	21
J	5.1	5.7	3.6	56.4	77.7	35.4	423		
J	4.7	5.3	3.5	55.7	76.5	35.2	387		
A	4.9	5.4	3.7	55.3	76.3	35.0	398	49	25
S	5.0	5.6	3.7	55.2	75.8	34.9	407		
O	5.3	5.9	4.0	55.2	75.9	35.1	436		
N	5.1	5.6	4.0	55.1	76.0	34.8	415	n.a.	n.a.
D	4.8	5.4	3.7	55.3	76.0	35.0	397		

[1]Small differences in totals may arise due to the seasonal adjustment process, or rounding.
[2]Immigration statistics are by quarters and are not seasonally adjusted. Population figures are not seasonally adjusted.

SOURCE: DBS *The Labour Force*, Monthly, Cat. 71-001.
Department of Manpower and Immigration *Immigration Statistics*.
Department of Manpower and Immigration *Quarterly Immigration Bulletin*.

REFERENCE TABLE 26

CHANGES IN THE MAIN COMPONENTS OF THE LABOUR MARKET

1954 to 1969

Years and Months	Population 14 Years and Over	Labour Force			Employment		
		Total	Male	Female	Total	Male	Female
	(Per cent change from same period a year ago)						
1954	2.2	1.8	1.4	3.4	0.2	−0.5	2.3
1955	2.0	2.1	1.8	3.1	2.3	2.1	3.1
1956	2.0	3.1	2.2	6.1	4.1	3.3	6.8
1957	2.9	3.9	3.1	6.6	2.6	1.5	6.2
1958	2.4	2.1	1.5	4.3	−0.4	−1.5	2.9
1959	1.9	1.7	1.0	3.9	−2.9	2.3	4.5
1960	1.9	2.7	1.4	6.6	1.6	0.1	6.0
1961	1.9	1.7	0.6	4.9	1.5	0.3	4.8
1962	1.9	1.4	0.8	3.3	2.8	2.4	3.8
1963	2.1	2.0	1.2	4.1	2.4	1.8	4.1
1964	2.2	2.7	1.7	5.5	3.7	2.9	5.7
1965	2.4	3.0	2.1	5.3	3.8	3.1	5.7
1966	2.6	3.9	2.5	7.3	4.2	2.9	7.4
1967	3.0	3.7	2.6	6.2	3.2	2.0	5.9
1968	2.8	2.9	2.1	4.7	2.1	1.2	4.1
1969	2.6	3.1	2.1	5.1	3.2	2.4	4.9
	(Seasonally adjusted[1])						
1969 J	2.7	4.4	3.4	6.5	4.6	3.9	5.9
F	2.7	4.4	3.0	7.1	4.7	3.7	6.7
M	2.7	4.3	3.0	6.4	5.0	4.3	6.3
A	2.6	4.6	2.7	8.6	4.8	3.1	8.5
M	2.7	4.8	3.3	8.2	4.8	3.4	7.8
J	2.6	3.0	1.9	5.5	3.3	2.3	5.6
J	2.6	2.6	1.7	5.1	3.1	2.1	5.5
A	2.6	2.5	1.6	4.5	2.6	1.7	4.6
S	2.6	2.0	1.3	3.2	1.8	1.2	3.0
O	2.6	1.9	1.2	3.2	1.6	1.1	2.7
N	2.6	1.2	1.2	1.1	1.0	1.3	0.6
D	2.6	2.0	1.7	2.7	1.9	1.7	2.4

[1]Population figures are not seasonally adjusted.

SOURCE: DBS *The Labour Force*.

REFERENCE TABLE 27

PARTICIPATION RATES BY SEX AND AGE GROUPS

1954 to 1969

Years and Months	14-19		20-24		25-44		45-64		65+	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	(Per cent)									
1954	50.2	33.6	92.0	46.6	97.3	23.3	91.3	18.1	33.2	3.7
1955	48.6	32.9	92.2	46.3	97.6	23.8	91.8	19.0	32.3	3.9
1956	48.1	33.9	91.7	47.1	97.6	24.5	92.0	20.8	34.0	4.5
1957	47.8	33.1	91.4	46.5	97.7	25.7	92.5	22.9	34.1	5.0
1958	45.6	32.1	91.7	47.4	97.8	26.2	92.5	24.1	32.1	5.2
1959	43.6	32.1	91.0	46.5	97.8	27.0	92.4	25.1	31.0	5.2
1960	42.8	32.6	91.2	47.9	97.8	28.3	92.5	26.7	30.3	5.6
1961	40.3	32.3	90.7	48.7	97.7	29.2	92.2	28.5	29.3	5.9
1962	39.6	30.9	88.6	49.7	97.7	29.8	91.7	29.4	28.5	5.6
1963	39.2	29.9	88.7	50.3	97.7	30.5	91.9	30.5	26.4	5.9
1964	38.3	29.9	88.2	51.0	97.7	31.7	91.8	31.6	26.8	6.3
1965	38.7	30.2	87.6	52.6	97.6	32.6	91.9	32.9	26.3	6.0
1966	38.6	31.4	87.4	55.6	97.6	34.3	91.8	33.9	26.4	5.9
1967	39.4	31.6	86.0	56.6	97.3	35.7	91.7	35.1	24.7	5.9
1968	39.1	31.3	84.4	58.4	97.0	36.4	91.1	35.4	24.4	5.9
1969	38.0	31.1	84.2	59.3	96.8	38.6	91.0	35.5	23.6	5.5
	(Seasonally adjusted)									
1969 J	39.0	30.4	84.2	57.6	97.4	38.0	91.1	37.4	24.3	5.6
F	38.1	30.4	85.1	58.8	97.1	38.4	91.1	37.0	24.1	6.0
M	39.2	31.2	85.1	58.4	96.7	37.8	91.5	35.8	24.0	6.1
A	39.4	31.9	84.8	60.0	97.1	39.7	91.6	35.9	24.7	5.7
M	39.7	32.7	86.1	60.9	97.2	39.2	91.3	34.8	24.1	5.9
J	41.9	33.8	85.6	60.7	96.9	38.1	90.8	34.6	24.5	5.9
J	36.7	31.1	85.6	60.9	96.8	38.3	90.8	34.8	23.7	5.7
A	34.5	30.9	85.5	60.3	96.7	38.4	90.9	34.7	23.5	5.3
S	36.9	30.5	81.5	58.8	96.4	38.3	90.8	35.2	23.1	5.2
O	37.0	30.8	82.6	59.0	96.4	38.7	90.8	35.4	22.8	5.2
N	37.2	30.4	81.8	58.5	96.6	38.8	91.0	34.8	22.9	4.3
D	38.3	29.0	82.1	57.6	96.4	39.0	90.8	35.6	22.0	4.9

SOURCE: DBS *The Labour Force*.

REFERENCE TABLE 28

UNEMPLOYMENT RATES BY SEX AND AGE GROUPS

1954 to 1969

Years and Months	14-19		20-24		25-44		45-64	
	Male	Female	Male	Female	Male	Female	Male	Female
	(Per cent)							
1954	10.0	5.4	7.6	2.7	4.4	2.0	4.3	1.3
1955	10.1	5.0	7.2	2.4	4.1	1.9	4.2	2.0
1956	8.1	3.8	5.7	1.9	3.2	1.6	3.3	1.1
1957	11.2	4.6	8.2	2.7	4.5	1.7	4.2	1.6
1958	16.6	7.4	12.7	4.1	6.9	2.6	6.7	2.4
1959	14.3	6.7	10.5	3.7	5.8	2.2	5.8	1.6
1960	16.4	8.6	12.2	3.9	6.9	2.5	6.9	1.8
1961	16.4	8.6	11.8	4.2	7.3	2.6	7.3	2.3
1962	14.4	7.9	10.0	3.7	5.6	2.4	6.1	1.9
1963	14.0	7.7	9.6	4.1	5.1	2.2	5.4	2.2
1964	12.3	7.6	7.9	3.3	4.1	2.0	4.5	2.1
1965	10.2	6.9	5.7	3.1	3.4	1.9	3.9	1.6
1966	9.7	6.4	5.3	2.5	2.9	1.9	3.7	1.5
1967	10.9	7.3	6.1	3.2	3.5	2.0	3.8	1.7
1968	12.7	8.3	7.7	4.2	4.2	2.3	4.3	2.0
1969	12.5	8.9	7.5	3.7	3.8	2.5	4.2	2.2
	(Seasonally adjusted)							
1969 J	11.3	8.1	7.4	3.9	3.3	2.5	3.6	3.1
F	11.8	8.4	7.2	4.0	3.6	2.7	3.6	1.7
M	12.0	9.0	6.7	3.0	3.4	2.2	3.4	1.9
A	13.0	9.6	7.4	2.9	3.6	2.4	4.1	2.2
M	13.9	8.8	7.5	4.2	3.9	2.8	4.1	2.1
J	11.9	10.5	7.7	3.3	4.5	2.6	4.3	1.8
J	13.4	8.1	7.4	4.0	3.6	2.2	4.5	1.6
A	11.2	8.4	7.7	3.1	4.2	2.8	4.6	2.2
S	10.3	9.1	7.1	3.5	4.7	2.9	4.6	2.9
O	13.4	8.2	9.5	4.3	4.2	2.8	4.5	2.6
N	11.8	9.1	8.0	5.3	4.5	2.3	4.4	2.3
D	12.5	9.8	7.9	4.0	4.1	2.5	4.7	2.0

SOURCE: DBS *The Labour Force.*

REFERENCE TABLE 29

PARTICIPATION RATES, CANADA AND BY REGION

1954 to 1969

Years and Months	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia
	(Labour Force as a percent of population 14 years and over)					
1954	52.9	46.0	53.7	55.9	51.0	50.4
1955	52.9	46.4	53.5	55.7	51.4	50.9
1956	53.5	46.6	53.1	56.9	52.4	51.5
1957	54.0	47.7	53.6	57.2	52.9	51.9
1958	53.9	47.0	54.0	56.4	53.8	51.5
1959	53.8	47.0	53.5	56.2	54.2	51.7
1960	54.2	47.1	53.6	57.0	54.7	51.7
1961	54.1	48.1	52.8	56.7	55.6	51.8
1962	53.9	47.8	52.5	56.3	55.7	52.3
1963	53.8	46.8	52.6	56.5	55.0	52.8
1964	54.1	47.0	52.6	57.0	55.1	53.6
1965	54.4	48.1	53.2	56.7	55.5	53.8
1966	55.1	48.6	54.3	57.2	55.7	54.9
1967	55.5	48.5	54.8	57.6	55.8	55.8
1968	55.5	48.2	54.3	57.7	56.8	56.0
1969	55.8	48.1	54.5	58.0	56.9	56.7
	(Seasonally adjusted)					
1969 J	56.0	48.6	54.5	58.4	57.6	55.8
F	56.1	48.5	54.2	58.7	58.0	56.0
M	55.9	48.0	54.4	58.1	57.4	55.7
A	56.5	49.1	55.0	58.5	57.5	57.0
M	56.4	49.2	54.9	58.9	57.5	57.8
J	56.4	48.4	55.5	58.1	57.4	58.4
J	55.7	48.2	54.9	57.8	56.6	55.7
A	55.3	48.0	55.0	57.2	56.7	55.9
S	55.2	47.3	54.2	57.5	54.7	56.8
O	55.2	47.6	54.4	57.5	56.0	57.1
N	55.1	47.1	54.1	57.4	56.1	57.5
D	55.3	47.1	53.9	57.8	56.4	56.8

SOURCE: DBS *The Labour Force*

REFERENCE TABLE 30

LABOUR FORCE, CANADA AND BY REGION

1954 to 1969

Years and Months	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia	Canada	Atlantic Region	Quebec	Ontario	Prairie Ontario	British Columbia
	(Thousands of persons)						(Per cent change from same period a year ago)					
1954.....	5,493	501	1,562	2,022	949	461	1.8	−1.0	1.6	3.8	−0.7	2.7
1955.....	5,610	511	1,591	2,059	969	480	2.1	2.0	1.9	1.8	2.1	4.1
1956.....	5,782	520	1,615	2,147	998	503	3.1	1.8	1.5	4.3	3.0	4.8
1957.....	6,008	537	1,678	2,238	1,019	536	3.9	3.3	3.9	4.2	2.1	6.6
1958.....	6,137	535	1,735	2,264	1,055	548	2.1	−0.4	3.4	1.2	3.5	2.2
1959.....	6,242	541	1,758	2,301	1,084	556	1.7	1.1	1.3	1.6	2.7	1.5
1960.....	6,411	550	1,803	2,377	1,115	565	2.7	1.7	2.6	3.3	2.9	1.6
1961.....	6,521	571	1,820	2,401	1,154	575	1.7	3.8	0.9	1.0	3.5	1.8
1962.....	6,615	578	1,852	2,422	1,175	590	1.4	1.2	1.8	0.9	1.8	2.6
1963.....	6,748	577	1,904	2,476	1,181	610	2.0	−0.2	2.8	2.2	0.5	3.4
1964.....	6,933	588	1,951	2,556	1,199	639	2.7	1.9	2.5	3.2	1.5	4.8
1965.....	7,141	611	2,022	2,614	1,228	666	3.0	3.9	3.6	2.3	2.4	4.2
1966.....	7,420	626	2,116	2,719	1,248	710	3.9	2.5	4.6	4.0	1.6	6.6
1967.....	7,694	635	2,196	2,834	1,268	762	3.7	1.4	3.8	4.2	1.6	7.3
1968.....	7,919	643	2,227	2,934	1,318	797	2.9	1.3	1.4	3.5	3.9	4.6
1969.....	8,163	654	2,290	3,032	1,351	836	3.1	1.7	2.8	3.3	2.5	4.9
							(Seasonally adjusted)					
1969 J.....	8,099	656	2,261	3,010	1,355	811	4.4	2.2	3.8	5.2	4.9	4.0
F.....	8,128	655	2,256	3,037	1,365	813	4.4	2.0	3.6	5.1	5.6	3.4
M.....	8,108	651	2,275	3,019	1,355	813	4.3	2.5	4.1	5.0	4.3	3.6
A.....	8,207	665	2,302	3,038	1,364	835	4.6	3.9	3.9	5.2	3.5	6.1
M.....	8,244	669	2,290	3,071	1,362	850	4.8	3.6	3.5	5.2	4.2	8.0
J.....	8,258	662	2,324	3,035	1,362	856	3.0	1.5	2.7	2.6	3.2	6.3
J.....	8,155	660	2,303	3,028	1,344	823	2.6	1.7	3.0	3.0	2.0	3.0
A.....	8,143	659	2,318	3,004	1,349	828	2.5	1.4	3.0	2.2	2.0	3.5
S.....	8,151	649	2,293	3,027	1,338	844	2.0	0.2	1.7	2.3	1.0	5.5
O.....	8,178	653	2,308	3,035	1,341	852	1.9	1.4	2.6	1.3	0.4	6.2
N.....	8,162	646	2,297	3,030	1,342	859	1.2	0.5	1.9	0.6	−1.0	5.8
D.....	8,193	646	2,288	3,064	1,352	852	2.0	1.1	1.6	2.9	0.2	3.1

SOURCE: DBS *The Labour Force.*

REFERENCE TABLE 31

EMPLOYMENT, CANADA AND BY REGION

1954 to 1969

Years and Months	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia
	(Thousands of persons)						(Per cent change from same period a year ago)					
1954	5,243	468	1,470	1,945	925	437	0.2	−2.1	−0.7	2.0	−1.4	1.2
1955	5,364	478	1,493	1,993	939	462	2.3	2.1	1.6	2.5	1.5	5.7
1956	5,585	489	1,535	2,096	976	489	4.1	2.3	2.8	5.2	3.9	5.8
1957	5,731	492	1,576	2,161	992	509	2.6	0.6	2.7	3.1	1.6	4.1
1958	5,706	469	1,582	2,142	1,013	501	−0.4	−4.7	0.4	−0.9	2.1	−1.6
1959	5,870	482	1,620	2,198	1,049	521	2.9	2.8	2.4	2.6	3.6	4.0
1960	5,965	492	1,639	2,249	1,069	516	1.6	2.1	1.2	2.3	1.9	−1.0
1961	6,055	507	1,652	2,269	1,100	527	1.5	3.0	0.8	0.9	2.9	2.1
1962	6,225	516	1,713	2,317	1,129	551	2.8	1.8	3.7	2.1	2.6	4.6
1963	6,375	522	1,762	2,382	1,138	571	2.4	1.2	2.9	2.8	0.8	3.6
1964	6,609	542	1,827	2,473	1,162	605	3.7	3.8	3.7	3.8	2.1	6.0
1965	6,802	566	1,912	2,548	1,196	639	3.8	4.4	4.7	3.0	2.9	5.6
1966	7,152	586	2,016	2,651	1,222	678	4.2	3.5	5.4	4.0	2.2	6.1
1967	7,379	593	2,080	2,745	1,238	723	3.2	1.2	3.2	3.5	1.3	6.6
1968	7,537	596	2,082	2,830	1,280	750	2.1	0.5	0.1	3.1	3.4	3.7
1969	7,780	605	2,132	2,936	1,312	795	3.2	1.5	2.4	3.7	2.5	6.0
							(Seasonally adjusted)					
1969 J	7,753	614	2,114	2,928	1,320	773	4.6	2.8	3.2	5.6	4.9	4.9
F	7,779	613	2,117	2,947	1,329	770	4.7	2.3	3.6	5.7	5.5	4.2
M	7,771	607	2,136	2,940	1,320	773	5.0	2.4	4.4	6.2	4.6	4.6
A	7,842	617	2,150	2,948	1,329	798	4.8	3.7	3.9	5.6	3.4	7.8
M	7,840	615	2,128	2,958	1,325	809	4.8	2.5	2.3	5.8	4.6	9.9
J	7,835	603	2,152	2,926	1,316	819	3.3	0.8	2.4	3.0	3.6	8.6
J	7,768	601	2,148	2,935	1,298	783	3.1	0.7	2.7	4.0	2.4	4.5
A	7,745	600	2,150	2,910	1,309	787	2.6	0.7	2.4	2.5	2.7	4.9
S	7,744	594	2,113	2,932	1,303	799	1.8	−1.0	–	2.6	1.6	6.4
O	7,742	601	2,125	2,930	1,287	806	1.6	1.5	1.3	1.5	−0.7	6.9
N	7,747	595	2,126	2,927	1,299	810	1.0	0.5	1.5	0.6	−1.4	6.0
D	7,798	598	2,127	2,957	1,315	808	1.9	1.0	1.8	2.7	0.3	3.1

SOURCE: DBS *The Labour Force.*

REFERENCE TABLE 32

UNEMPLOYMENT, CANADA AND BY REGION

1954 to 1969

Years and Months	Unemployed						Unemployment Rate					
	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia
	(Thousands of persons)						(Per cent)					
1954	250	33	92	77	24	24	4.6	6.6	5.9	3.8	2.5	5.2
1955	245	33	98	66	30	18	4.4	6.5	6.2	3.2	3.1	3.8
1956	197	31	80	51	22	14	3.4	6.0	5.0	2.4	2.2	2.8
1957	278	45	101	77	27	27	4.6	8.4	6.0	3.4	2.6	5.0
1958	432	67	153	122	43	47	7.0	12.5	8.8	5.4	4.1	8.6
1959	372	59	138	103	35	36	6.0	10.9	7.8	4.5	3.2	6.5
1960	446	59	164	128	47	48	7.0	10.7	9.1	5.4	4.2	8.5
1961	466	64	168	132	53	49	7.1	11.2	9.2	5.5	4.6	8.5
1962	390	62	139	105	46	39	5.9	10.7	7.5	4.3	3.9	6.6
1963	374	55	142	94	44	39	5.5	9.5	7.5	3.8	3.7	6.4
1964	324	46	124	83	37	34	4.7	7.8	6.4	3.2	3.1	5.3
1965	280	45	109	66	32	28	3.9	7.4	5.4	2.5	2.6	4.2
1966	267	40	100	69	26	32	3.6	6.4	4.7	2.5	2.1	4.5
1967	315	42	116	89	29	39	4.1	6.6	5.3	3.1	2.3	5.1
1968	382	47	145	104	39	47	4.8	7.3	6.5	3.5	3.0	5.9
1969	383	49	158	96	39	41	4.7	7.5	6.9	3.2	2.9	4.9
	(Seasonally adjusted)											
1969 J	346	42	147	82	35	38	4.3	6.4	6.5	2.7	2.6	4.7
F	349	42	139	90	36	43	4.3	6.4	6.2	3.0	2.6	5.3
M	337	44	139	79	35	40	4.2	6.8	6.1	2.6	2.6	4.9
A	365	48	152	90	35	37	4.4	7.2	6.6	3.0	2.6	4.4
M	404	54	162	113	37	41	4.9	8.1	7.1	3.7	2.7	4.8
J	423	59	172	109	46	37	5.1	8.9	7.4	3.6	3.4	4.3
J	387	59	155	93	46	40	4.7	8.9	6.7	3.1	3.4	4.9
A	398	59	168	94	40	42	4.9	9.0	7.2	3.1	3.0	5.1
S	407	55	180	95	35	45	5.0	8.5	7.8	3.1	2.6	5.3
O	436	52	183	105	54	46	5.3	8.0	7.9	3.5	4.0	5.4
N	415	51	171	103	43	49	5.1	7.9	7.4	3.4	3.2	5.7
D	395	48	161	107	37	44	4.8	7.4	7.0	3.5	2.7	5.2

SOURCE: DBS *The Labour Force.*

REFERENCE TABLE 33

ESTIMATES OF EMPLOYEES BY INDUSTRY

1961 to 1969

(Thousands)

Years and Months	Forestry	Mines, Quarries and Oil Wells	Total Manufacturing	Construction	Transportation, Communication and Other Utilities	Trade	Finance, Insurance and Real Estate	Total Community, Business and Personal Services	Public Administration and Defence[1]	Grand Total
	CANADA									
1961	68.4	106.7	1,302.1	291.5	571.1	743.0	194.8	1,065.1	331.7	4,681.5
1962	70.2	108.1	1,356.2	305.0	575.4	772.3	205.4	1,117.1	341.7	4,868.7
1963	68.2	106.4	1,396.9	306.0	581.6	796.8	218.1	1,192.6	345.2	5.021.2
1964	71.1	107.5	1,450.5	323.0	598.9	829.0	229.9	1,270.8	352.8	5,243.9
1965	71.7	114.2	1,520.1	356.6	616.4	872.5	238.9	1,362.2	362.0	5,523.5
1966	72.6	116.8	1,597.8	379.6	634.8	920.2	248.8	1,458.7	375.6	5,814.0
1967	71.1	118.5	1,621.8	363.4	652.1	949.4	265.6	1,567.5	399.1	6,017.7
1968	64.5	120.4	1,639.2	361.3	642.3	984.5	280.7	1,679.3	408.1	6,189.3
	(Not seasonally adjusted)									
1969 J	47.4	120.2	1,635.9	316.1	632.9	1,004.5	288.8	1,749.4	406.7	6,207.8
F	47.1	120.6	1,650.4	321.8	637.6	1,006.3	289.7	1,759.8	408.6	6,248.8
M	44.9	121.7	1,658.1	323.9	640.0	1,019.2	293.6	1,766.6	406.0	6,274.0
A	43.7	119.6	1,668.3	346.7	639.2	1,026.7	298.9	1,787.2	398.9	6,329.1
M	64.2	118.8	1,703.2	364.2	671.3	1,052.5	298.5	1,816.1	408.9	6,508.5
J	79.2	124.2	1,738.4	390.6	682.3	1,071.3	301.9	1,854.7	422.9	6,665.5
J	80.4	116.9	1,690.8	422.1	673.6	1,046.6	313.1	1,846.4	440.2	6,639.1
A	81.9	116.7	1,724.3	436.3	692.7	1,073.6	303.8	1,835.8	441.7	6,715.7
S	n.a.	113.4	1,719.3	433.6	n.a.	1,098.9	301.8	1,852.9	432.1	6,729.1
	ATLANTIC REGION									
1961	15.0	12.8	59.8	24.2	59.1	62.2	9.6	94.7	35.8	373.4
1962	14.4	12.7	62.9	27.0	58.7	63.3	10.2	96.5	38.1	383.9
1963	12.6	13.8	65.3	25.8	58.4	65.4	10.8	101.2	38.6	392.1
1964	14.1	14.3	67.4	25.7	59.6	67.0	11.3	106.9	38.8	405.2
1965	13.7	16.2	71.0	31.9	61.1	69.8	11.7	111.3	40.2	426.9
1966	13.5	16.2	73.0	36.6	63.2	72.5	12.2	116.7	38.6	442.6
1967	12.4	15.7	73.6	34.0	62.9	73.8	12.9	123.1	39.8	448.2
1968	11.2	15.1	76.0	32.1	60.7	76.8	13.4	129.9	41.6	456.9
	(Not seasonally adjusted)									
1969 J	8.0	14.9	68.8	29.1	62.4	77.8	13.9	130.3	41.2	446.5
F	6.6	14.6	69.1	27.1	65.4	75.7	14.1	130.9	41.0	444.9
M	6.3	14.9	69.8	27.2	62.5	77.6	14.3	132.0	40.9	445.1
A	6.0	14.8	71.2	29.4	61.1	77.6	14.2	134.8	41.1	450.6
M	9.1	13.2	79.5	34.3	60.4	80.3	14.4	138.7	42.6	472.4
J	14.4	12.5	82.2	37.6	63.2	81.1	14.5	139.6	44.2	489.2
J	13.8	12.5	87.2	38.6	60.3	80.1	14.5	139.1	47.3	493.4
A	14.3	13.7	86.6	42.6	62.7	83.1	14.4	140.6	47.8	506.0
S	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	505.7

REFERENCE TABLE 33 (Continued)

ESTIMATES OF EMPLOYEES BY INDUSTRY

1961 to 1969

(Thousands)

Years and Months	Forestry	Mines, Quarries and Oil Wells	Total Manufacturing	Construction	Transportation, Communication and Other Utilities	Trade	Finance, Insurance and Real Estate	Total Community, Business and Personal Services	Public Administration and Defence[1]	Grand[2] Total
	QUEBEC									
1961	21.5	24.0	429.9	84.5	151.2	187.6	52.0	278.1	71.6	1,300.5
1962	21.7	24.9	442.8	89.3	152.3	198.0	55.8	297.8	74.3	1,356.7
1963	19.9	24.3	446.4	91.9	153.7	204.0	60.5	317.5	75.7	1,394.2
1964	21.8	24.6	459.9	98.5	158.5	212.9	64.3	340.5	77.6	1,458.6
1965	21.9	26.0	475.3	102.6	164.9	224.1	68.1	367.5	78.1	1,528.5
1966	22.9	26.5	497.3	103.8	170.2	233.3	71.3	395.4	77.7	1,599.2
1967	24.3	26.3	507.0	87.0	176.5	240.1	75.6	429.3	88.4	1,654.6
1968	20.1	25.4	515.5	82.4	175.8	244.7	79.1	451.7	87.5	1,682.2
	(Not seasonally adjusted)									
1969 J	12.4	23.7	511.1	71.6	173.0	252.1	80.3	466.3	89.3	1,679.7
F	9.9	23.9	515.1	70.6	171.9	252.6	81.1	462.1	89.7	1,676.8
M	7.4	24.4	514.2	72.2	173.7	253.7	82.9	465.1	89.2	1,682.7
A	7.5	24.5	517.6	76.2	172.0	255.8	85.9	469.8	83.4	1,692.8
M	19.6	22.6	525.0	74.8	184.1	258.7	83.6	480.7	84.0	1,733.0
J	26.3	25.1	538.7	76.1	184.1	264.1	84.7	493.1	87.1	1,779.3
J	27.2	25.3	525.3	92.9	187.5	255.3	84.3	496.0	95.1	1,788.9
A	26.2	26.6	542.9	94.7	188.9	269.6	85.1	494.3	95.2	1,823.7
S	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,826.5
	ONTARIO									
1961	11.8	37.1	622.6	113.0	183.6	291.6	88.3	400.4	132.2	1,880.4
1962	12.5	35.7	653.9	114.1	187.4	302.7	91.4	425.9	136.2	1,959.9
1963	13.0	34.0	680.8	113.3	190.4	312.6	96.2	453.6	138.1	2,031.9
1964	12.7	33.1	712.2	118.7	196.5	324.5	100.5	483.0	142.6	2,123.8
1965	12.6	33.8	751.1	132.4	201.3	340.5	102.1	512.8	147.4	2,234.0
1966	12.5	33.2	796.5	140.9	205.9	358.8	105.8	547.2	158.2	2,359.2
1967	12.6	34.5	806.7	138.1	211.9	369.7	113.4	583.9	162.2	2,433.9
1968	11.3	35.4	810.6	142.8	207.1	385.3	120.9	637.8	168.5	2,520.8
	(Not seasonally adjusted)									
1969 J	11.2	34.9	821.3	133.8	205.0	399.6	124.7	671.6	167.3	2,569.4
F	10.5	35.1	825.7	132.0	205.4	401.7	125.6	677.8	169.2	2,583.2
M	9.1	35.0	831.9	132.9	206.3	406.1	126.9	675.1	166.9	2,590.2
A	8.1	35.1	834.2	143.7	208.7	409.6	127.1	690.1	165.0	2,621.4
M	9.6	36.2	846.7	146.5	217.5	424.7	129.6	692.7	169.1	2,672.4
J	11.2	37.6	858.5	157.2	222.6	430.0	130.9	708.9	173.4	2,730.4
J	10.7	29.2	820.8	165.0	214.1	415.7	142.0	709.0	177.2	2,683.7
A	11.6	25.3	833.5	169.7	222.4	420.5	133.2	701.3	177.0	2,694.7
S	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,706.7

REFERENCE TABLE 33 (Continued)

ESTIMATES OF EMPLOYEES BY INDUSTRY

1961 to 1969

(Thousands)

Years and Months	Forestry	Mines, Quarries and Oil Wells	Total Manufacturing	Construction	Transportation, Communication and Other Utilities	Trade	Finance, Insurance and Real Estate	Total Community, Business and Personal Services	Public Administration and Defence[1]	Grand Total[2]
	PRAIRIE REGION									
1961	3.4	24.5	89.7	48.7	113.9	129.7	27.6	188.9	58.6	685.1
1962	3.8	25.0	92.6	51.9	114.3	133.7	29.7	196.5	58.8	706.2
1963	4.0	24.8	95.4	51.3	115.7	137.0	30.9	206.6	58.8	724.0
1964	3.8	25.9	99.8	52.1	118.2	142.3	32.5	218.4	59.9	753.0
1965	4.2	27.8	105.2	57.1	119.3	149.8	33.9	234.8	61.3	793.3
1966	4.2	29.2	108.3	62.0	121.0	161.5	35.3	248.2	64.5	834.2
1967	3.7	30.4	111.5	66.2	123.0	166.4	37.5	267.2	69.1	874.8
1968	2.9	32.1	113.6	67.8	120.3	173.0	38.9	284.3	69.8	903.0
	(Not seasonally adjusted)									
1969 J	3.0	35.1	112.8	53.1	115.8	170.7	40.2	296.3	67.3	894.3
F	3.2	35.0	115.1	58.2	117.7	170.2	39.6	305.7	67.3	911.8
M	3.0	35.5	116.3	57.4	118.8	172.4	40.1	303.3	67.5	914.3
A	2.4	32.9	117.5	62.5	116.7	174.8	41.6	300.4	68.2	917.0
M	3.2	33.7	120.2	69.7	124.9	179.5	40.6	309.9	70.9	952.7
J	3.9	35.1	123.9	75.8	129.8	182.9	41.4	315.4	75.3	983.4
J	3.9	36.2	122.1	80.4	131.0	179.5	40.4	311.6	77.0	982.2
A	4.2	36.4	124.2	81.1	130.5	182.9	41.0	304.9	77.4	982.7
S	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	989.6
	BRITISH COLUMBIA									
1961	16.7	6.7	100.2	20.7	61.5	71.8	17.2	100.8	30.8	426.4
1962	17.9	8.1	104.2	22.4	61.4	74.3	18.4	106.5	31.5	444.7
1963	18.7	7.7	108.9	23.5	62.1	77.5	19.8	111.6	31.5	461.4
1964	18.6	7.8	111.2	27.6	64.8	82.7	21.3	119.9	31.8	484.8
1965	19.7	8.6	117.4	32.5	68.9	87.8	22.9	133.8	33.0	524.6
1966	19.6	9.8	122.9	35.8	73.5	94.4	24.3	148.8	34.6	563.6
1967	18.2	9.7	122.8	27.6	76.5	99.2	26.2	161.6	37.6	589.3
1968	19.0	10.0	123.3	35.5	76.9	103.9	28.2	172.6	38.7	608.1
	(Not seasonally adjusted)									
1969 J	12.9	9.3	121.8	27.6	75.4	103.2	29.5	182.0	39.3	601.0
F	16.8	9.5	125.1	33.2	75.6	105.0	29.2	181.4	39.3	615.2
M	19.1	9.4	125.9	33.5	77.2	108.3	29.5	188.4	39.5	630.8
A	19.7	9.7	127.8	33.9	78.8	107.6	30.3	189.1	39.0	635.9
M	22.6	10.3	131.6	38.0	82.5	108.2	30.3	191.3	40.0	654.6
J	23.4	11.1	135.0	43.0	80.4	112.1	30.4	194.7	40.5	670.6
J	24.8	10.7	135.2	44.5	78.5	114.7	31.8	187.4	41.0	668.7
A	25.4	11.8	136.8	47.2	85.8	115.9	30.1	191.3	41.6	686.0
S	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	687.4

[1]Excludes non-civilian employees.
[2]Employees in fiching and trapping are included in the total.

SOURCE: DBS *Estimates of Employees by Province and Industry*, Occasional. Cat. 72-508.
DBS *Estimates of Employees by Province and Industry*, Monthly. Cat. 72-008.

REFERENCE TABLE 34

PRODUCTIVITY AND COSTS TOTAL ALL INDUSTRIES

1947 to 1969

(1961=100)

Years	Output	Persons Employed[1]	Total Man-Hours[1]	Wages and Salaries[2]	Corporation Profits[2]	Output Per Person Employed	Output Per Man-Hour	Average Earnings Per Person Employed	Average Hourly Earnings	Wages and Salaries Per Unit of Output	Corporation Profits Per Unit of Output
1947	54.8	80.6	89.4	31.2	44.5	68.0	61.3	38.8	34.9	57.0	81.2
1948	56.7	82.0	90.9	36.1	48.2	69.1	62.4	44.1	39.7	63.7	85.0
1949	58.4	83.4	91.7	39.1	46.1	70.0	63.7	46.9	42.7	67.0	79.0
1950	62.4	84.2	90.7	42.3	61.9	74.1	68.8	50.2	46.6	67.7	99.2
1951	67.3	86.7	92.8	49.8	70.5	77.6	72.5	57.5	53.7	74.1	104.8
1952	72.5	88.0	93.7	56.1	68.5	82.4	77.4	63.7	59.8	77.3	94.5
1953	75.5	89.1	94.5	61.1	67.4	84.7	79.9	68.5	64.6	80.9	89.3
1954	74.3	89.2	94.2	62.7	60.0	83.3	78.9	70.3	66.6	84.4	80.8
1955	82.1	90.7	95.0	67.3	79.0	90.5	86.4	74.2	70.9	82.0	96.2
1956	89.1	94.4	98.6	76.2	90.6	94.4	90.4	80.8	77.3	85.6	101.6
1957	89.5	96.3	99.5	82.9	84.0	92.9	89.9	86.0	83.3	92.6	93.9
1958	91.0	94.8	97.1	85.1	85.8	96.0	93.7	89.8	87.7	93.5	94.3
1959	95.7	97.6	99.6	90.9	99.3	98.1	96.1	93.2	91.3	95.0	103.7
1960	98.0	98.7	99.9	95.7	96.0	99.3	98.1	97.0	95.8	97.7	98.0
1961	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	106.9	102.8	102.4	107.2	113.1	104.0	104.4	104.3	104.7	100.3	105.8
1963	112.3	104.9	103.5	114.4	124.6	107.1	108.5	109.0	110.5	101.8	111.0
1964	119.5	108.6	106.6	124.8	148.3	110.0	112.1	114.9	117.1	104.4	124.1
1965	127.8	113.6	110.5	139.1	161.3	112.5	115.7	122.4	125.9	108.8	126.2
1966	135.5	118.1	113.5	157.4	169.6	114.7	119.4	133.3	138.7	116.2	125.2
1967	139.1	121.1	115.8	174.1	166.2	114.9	120.1	143.7	150.3	125.1	119.5
1968	145.4	123.2	116.2	189.7	182.6	118.0	125.1	154.0	163.2	130.5	125.6
1969	152.2[1]	128.1	n.a.	212.1	198.2	118.8	n.a.	165.6	n.a.	139.4	130.2
						(Percent change from previous year)					
1948	3.5	1.7	1.7	15.6	8.3	1.7	1.8	13.7	13.7	11.8	4.6
1949	3.0	1.7	0.9	8.3	−4.3	1.3	2.1	6.4	7.3	5.1	−7.1
1950	6.8	1.0	−1.1	8.0	34.2	5.8	8.0	7.0	9.2	1.1	25.6
1951	7.9	3.0	2.3	18.0	14.0	4.7	5.4	14.6	15.3	9.4	5.7
1952	7.7	1.5	1.0	12.5	−2.9	6.1	6.7	10.8	11.4	4.4	−9.9
1953	4.1	1.2	0.9	8.9	−1.6	2.9	3.3	7.6	8.0	4.6	−5.5
1954	−1.6	0.1	−0.3	2.7	−10.9	−1.7	−1.3	2.6	3.0	4.3	−9.4
1955	10.5	1.7	0.8	7.4	31.6	8.7	9.6	5.6	6.5	−2.8	19.1
1956	8.5	4.1	3.8	13.2	14.6	4.3	4.6	8.8	9.1	4.3	5.6
1957	0.4	2.0	0.9	8.7	−7.2	−1.5	−0.5	6.6	7.7	8.2	−7.6
1958	1.7	−1.6	−2.4	2.7	2.2	3.3	4.2	4.4	5.3	1.0	0.5
1959	5.2	3.0	2.6	6.8	15.7	2.1	2.5	3.7	4.1	1.6	10.0
1960	2.4	1.1	0.3	5.3	−3.3	1.3	2.1	4.1	5.0	2.8	−5.6
1961	2.0	1.3	0.1	4.5	4.2	0.7	1.9	3.1	4.3	2.4	2.1
1962	6.9	2.8	2.4	7.2	13.1	4.0	4.4	4.3	4.7	0.3	5.8
1963	5.1	2.0	1.1	6.6	10.2	2.9	3.9	4.5	5.5	1.5	4.9
1964	6.4	3.5	3.0	9.1	19.0	2.8	3.3	5.4	5.9	2.5	11.8
1965	6.9	4.6	3.7	11.5	8.8	2.2	3.2	6.6	7.5	4.2	1.7
1966	6.0	4.0	2.7	13.2	5.2	2.0	3.2	8.9	10.2	6.7	−0.8
1967	2.7	2.5	2.0	10.6	−2.0	0.1	0.6	7.8	8.4	7.7	−4.5
1968	4.5	1.7	0.3	9.0	9.9	2.7	4.2	7.1	8.6	4.2	5.1
1969	4.7	4.0	n.a.	11.8	8.5	0.7	n.a.	7.5	n.a.	6.8	3.7

[1]Estimates based on data from the Dominion Bureau of Statistics.
[2]Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*
DBS *Indexes of Real Domestic Product by Industry (1961=100).*

REFERENCE TABLE 35

PRODUCTIVITY AND COSTS
COMMERCIAL NON-AGRICULTURAL INDUSTRIES

1947 to 1969

(1961=100)

Years	Output	Persons Employed	Total Man-Hours	Wages and Salaries[1]	Corporation Profits[1]	Output Per Person Employed	Output Per Man-Hour	Average Earnings Per Person Employed	Average Hourly Earnings	Wages and Salaries Per Unit of Output	Corporation Profits Per Unit of Output
1947	52.1	75.9	82.3	32.6	44.5	68.6	63.3	43.0	39.6	62.6	85.4
1948	54.0	78.4	85.0	37.9	48.2	68.9	63.5	48.4	44.6	70.2	89.2
1949	56.1	80.2	86.0	40.7	46.1	70.0	65.2	50.7	47.3	72.5	82.2
1950	59.9	81.8	86.6	43.9	61.9	73.2	69.2	53.7	50.7	73.3	103.3
1951	64.0	86.4	90.7	52.7	70.5	74.1	70.6	60.9	58.1	82.3	110.2
1952	67.4	88.5	92.6	58.9	68.5	76.2	72.8	66.6	63.7	87.5	101.7
1953	71.5	89.9	93.5	64.0	67.4	79.5	76.5	71.2	68.4	89.5	94.3
1954	72.2	88.7	91.3	64.7	60.1	81.4	79.1	72.9	70.8	89.6	83.2
1955	79.3	91.5	93.7	69.5	79.1	86.7	84.6	75.9	74.2	87.6	99.7
1956	86.8	97.0	99.6	79.0	90.6	89.5	87.1	81.5	79.4	91.1	104.4
1957	88.6	99.8	101.8	85.5	84.1	88.8	87.0	85.7	84.0	96.5	94.9
1958	89.1	97.3	98.8	86.7	85.8	91.6	90.2	89.1	87.7	97.3	96.3
1959	94.7	99.7	101.3	92.6	99.4	95.0	93.5	92.8	91.4	97.7	104.9
1960	96.5	99.6	100.6	96.8	96.1	96.9	95.9	97.2	96.2	100.3	99.6
1961	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	106.5	103.1	103.1	107.1	113.1	103.3	103.3	103.9	103.9	100.6	106.2
1963	112.0	105.6	105.0	114.3	124.5	106.1	106.7	108.2	108.8	102.0	111.2
1964	120.8	110.2	109.5	124.8	148.3	109.6	110.3	113.3	114.0	103.3	122.7
1965	129.6	116.3	115.0	139.5	161.1	111.4	112.7	119.9	121.3	107.6	124.3
1966	137.4	121.9	119.1	157.2	169.4	112.7	115.4	129.0	132.0	114.4	123.3
1967	141.7	123.9	120.9	172.1	165.9	114.4	117.2	138.9	142.3	121.4	117.1
1968	147.9	125.0	121.0	186.3	182.2	118.3	122.2	149.1	154.0	126.0	123.2
1969	155.0[2]	130.4[2]	n.a.	207.7	197.9	118.9	n.a.	159.3	n.a.	134.0	127.7
					(Percent change from previous year)						
1948	3.6	3.3	3.3	16.4	8.2	0.3	0.4	12.6	12.7	12.3	4.4
1949	3.9	2.3	1.2	7.2	−4.3	1.6	2.7	4.8	5.9	3.2	−7.9
1950	6.8	2.0	0.7	8.0	34.3	4.7	6.0	5.9	7.3	1.2	25.7
1951	6.8	5.6	4.7	19.9	14.0	1.2	2.0	13.5	14.4	12.2	6.7
1952	5.3	2.4	2.1	11.9	−2.8	2.8	3.2	9.3	9.6	6.3	−7.7
1953	6.1	1.6	1.0	8.6	−1.6	4.4	5.1	6.9	7.5	2.3	−7.3
1954	1.0	−1.3	−2.4	1.1	−10.9	2.3	3.4	2.5	3.5	0.1	−11.8
1955	9.8	3.2	2.6	7.4	31.5	6.5	7.0	4.2	4.7	−2.2	19.8
1956	9.5	6.0	6.3	13.7	14.6	3.3	3.0	7.3	7.0	3.9	4.7
1957	2.1	2.9	2.2	8.2	−7.2	−0.8	−0.1	5.1	5.8	6.0	−9.1
1958	0.6	−2.5	−2.9	1.4	2.1	3.1	3.6	4.0	4.4	0.8	1.5
1959	6.3	2.5	2.5	6.8	15.8	3.7	3.7	4.2	4.2	0.5	8.9
1960	1.9	−0.1	−0.7	4.6	−3.3	2.0	2.6	4.7	5.3	2.7	−5.1
1961	3.6	0.4	−0.6	3.3	4.1	3.2	4.2	2.9	3.9	−0.3	0.4
1962	6.5	3.1	3.1	7.1	13.1	3.3	3.3	3.9	3.9	0.6	6.2
1963	5.2	2.4	1.8	6.7	10.1	2.7	3.3	4.2	4.8	1.5	4.7
1964	7.9	4.4	4.3	9.2	19.0	3.4	3.4	4.7	4.7	1.3	10.4
1965	7.3	5.5	5.0	11.7	8.7	1.7	2.2	5.9	6.4	4.1	1.3
1966	6.0	4.8	3.6	12.7	5.1	1.1	2.4	7.5	8.8	6.3	−0.8
1967	3.1	1.6	1.5	9.5	−2.0	1.5	1.6	7.7	7.8	6.1	−5.0
1968	4.4	0.9	0.1	8.3	9.8	3.5	4.3	7.3	8.2	3.7	5.2
1969	4.8	4.3	n.a.	11.5	8.6	0.5	n.a.	6.9	n.a.	6.4	3.6

[1]Estimated by the Department of Finance.
[2]Estimates based on data from the Dominion Bureau of Statistics.

SOURCE: DBS *Aggregate Productivity Trends.*
DBS *Daily Bulletin*, Wednesday, December 31, 1969.
DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 36

PRODUCTIVITY AND COSTS
COMMERCIAL NON-AGRICULTURAL GOODS-PRODUCING INDUSTRIES

1947 to 1969

(1961=100)

Years	Output	Persons Employed	Total Man-Hours	Wages and Salaries[1]	Corporation Profits[1]	Output Per Person Employed	Output Per Man-Hour	Average Earnings Per Person Employed	Average Hourly Earnings	Wages and Salaries Per Unit of Output	Corporation Profits Per Unit of Output
1947.....	48.5	85.9	92.3	35.5	48.6	56.5	52.5	41.3	38.5	73.2	100.2
1948.....	51.3	88.2	94.8	41.4	54.3	58.2	54.1	47.0	43.7	80.8	105.8
1949.....	53.3	89.9	95.3	43.5	52.0	59.3	55.9	48.4	45.6	81.6	97.7
1950.....	57.6	92.1	97.1	47.4	70.5	62.5	59.3	51.4	48.8	82.3	122.4
1951.....	62.4	98.7	103.5	58.6	79.6	63.2	60.3	59.4	56.7	94.0	127.5
1952.....	65.5	100.0	104.4	65.6	72.9	65.5	62.7	65.6	62.8	100.1	111.3
1953.....	70.6	100.8	105.5	71.0	72.9	70.0	66.9	70.5	67.3	100.6	103.2
1954.....	71.0	97.0	99.6	70.1	65.7	73.2	71.3	72.3	70.4	98.7	92.5
1955.....	78.8	100.4	102.7	74.7	85.6	78.5	76.7	74.4	72.7	94.8	108.7
1956.....	87.3	106.3	109.1	85.9	96.1	82.1	80.0	80.8	78.7	98.4	110.1
1957.....	89.2	107.3	109.1	91.8	88.2	83.1	81.8	85.6	84.2	102.9	98.9
1958.....	89.1	101.3	102.6	90.3	84.2	88.0	86.8	89.2	88.1	101.4	94.5
1959.....	94.8	103.3	105.2	95.8	99.6	91.8	90.1	92.8	91.1	101.1	105.1
1960.....	96.5	101.6	102.7	99.4	94.6	95.0	94.0	97.8	96.8	103.0	98.1
1961.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962.....	108.6	102.8	103.6	107.1	114.9	105.6	104.8	104.2	103.4	98.6	105.8
1963.....	114.6	104.7	105.0	113.8	127.3	109.5	109.1	108.7	108.3	99.3	111.1
1964.....	126.1	109.3	110.0	124.4	149.4	115.4	114.6	113.9	113.1	98.7	118.5
1965.....	137.5	115.3	115.9	140.0	161.3	119.3	118.6	121.4	120.8	101.8	117.3
1966.....	147.0	120.5	120.6	158.4	167.1	122.0	121.9	131.4	131.3	107.8	113.7
1967.....	149.4	120.1	119.9	169.4	155.7	124.4	124.6	141.1	141.3	113.4	104.2
1968.....	157.3	120.7	120.1	179.4	171.3	130.3	131.0	148.6	149.4	114.1	108.9
1969.....	165.5[2]	124.6[2]	n.a.	196.3	188.6	132.8	n.a.	157.5	n.a.	118.6	114.0
					(Percent change from previous year)						
1948.....	5.8	2.7	2.7	16.7	11.7	3.0	3.0	13.6	13.6	10.3	5.6
1949.....	3.9	1.9	0.5	4.9	−4.1	1.9	3.4	2.9	4.4	1.0	−7.7
1950.....	8.1	2.4	1.9	9.0	35.4	5.5	6.1	6.4	7.0	0.9	25.3
1951.....	8.3	7.2	6.6	23.8	12.9	1.1	1.6	15.5	16.1	14.2	4.2
1952.....	5.0	1.3	0.9	11.8	−8.4	3.6	4.1	10.3	10.8	6.5	−12.7
1953.....	7.8	0.8	1.1	8.4	−0.1	6.9	6.7	7.5	7.2	0.5	−7.3
1954.....	0.6	−3.8	−5.6	−1.3	−9.9	4.5	6.5	2.5	4.5	−1.9	−10.4
1955.....	11.0	3.5	3.1	6.5	30.4	7.2	7.6	2.9	3.3	−4.0	17.5
1956.....	10.8	5.9	6.2	15.0	12.2	4.6	4.3	8.6	8.3	3.8	1.3
1957.....	2.2	0.9	—	6.9	−8.2	1.2	2.2	5.9	6.9	4.6	−10.2
1958.....	−0.1	−5.6	−6.0	−1.6	−4.5	5.8	6.2	4.2	4.6	−1.5	−4.4
1959.....	6.4	2.0	2.5	6.1	18.3	4.3	3.8	4.0	3.5	−0.3	11.2
1960.....	1.8	−1.6	−2.4	3.7	−5.0	3.5	4.3	5.4	6.2	1.9	−6.7
1961.....	3.6	−1.6	−2.6	0.6	5.7	5.3	6.4	2.2	3.3	−2.9	2.0
1962.....	8.6	2.8	3.6	7.1	14.9	5.6	4.8	4.2	3.4	−1.4	5.8
1963.....	5.5	1.8	1.4	6.2	10.8	3.6	4.1	4.3	4.8	0.7	5.0
1964.....	10.0	4.4	4.8	9.4	17.3	5.4	5.0	4.8	4.4	−0.6	6.6
1965.....	9.0	5.5	5.4	12.5	8.0	3.4	3.5	6.6	6.7	3.1	−1.0
1966.....	6.9	4.5	4.1	13.2	3.6	2.3	2.7	8.3	8.8	5.8	−3.1
1967.....	1.6	−0.3	−0.6	7.0	−6.9	2.0	2.2	7.3	7.6	5.2	−8.4
1968.....	5.3	0.5	0.2	5.9	10.0	4.8	5.1	5.4	5.7	0.6	4.5
1969.....	5.2	3.2	n.a.	9.4	10.1	1.9	n.a.	6.0	n.a.	4.0	4.7

[1]Estimated by the Department of Finance.
[2]Estimates based on data from the Dominion Bureau of Statistics.

SOURCE: DBS *Aggregate Productivity Trends.*
DBS *Daily Bulletin,* Wednesday, December 31, 1969.
DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 37

PRODUCTIVITY AND COSTS
COMMERCIAL SERVICE-PRODUCING INDUSTRIES

1947 to 1969

(1961=100)

Years	Output	Persons Employed	Total Man-Hours	Wages and Salaries[1]	Corporation Profits[1]	Output Per Person Employed	Output Per Man-Hour	Average Earnings Per Person Employed	Average Hourly Earnings	Wages and Salaries Per Unit of Output	Corporation Profits Per Unit of Output
1947.....	55.8	66.6	73.6	29.2	37.7	83.8	75.8	43.8	39.7	52.3	67.6
1948.....	56.9	69.4	76.5	33.8	38.1	82.0	74.4	48.8	44.2	59.5	66.9
1949.....	59.1	71.3	78.0	37.4	36.2	82.9	75.8	52.4	47.9	63.2	61.3
1950.....	62.2	72.4	77.6	39.9	47.7	85.9	80.2	55.1	51.4	64.2	76.6
1951.....	65.7	75.1	79.6	45.7	55.5	87.5	82.5	60.8	57.4	69.5	84.5
1952.....	69.4	78.0	82.4	51.2	61.3	89.0	84.2	65.7	62.2	73.8	88.3
1953.....	72.4	79.9	83.2	55.7	58.4	90.6	87.0	69.8	67.0	77.0	80.7
1954.....	73.3	81.0	84.1	58.3	50.8	90.5	87.2	72.0	69.4	79.6	69.4
1955.....	79.4	83.4	86.0	63.4	68.2	96.6	92.3	76.1	73.8	79.9	85.9
1956.....	85.6	88.6	91.5	71.0	81.6	96.6	93.6	80.1	77.6	83.0	95.3
1957.....	87.6	93.1	95.6	78.1	77.2	94.1	91.6	83.9	81.7	89.2	88.2
1958.....	88.7	93.5	95.3	82.4	88.5	94.9	93.1	88.1	86.4	92.8	99.8
1959.....	94.1	96.4	98.0	88.7	98.9	97.6	96.0	92.0	90.5	94.3	105.1
1960.....	96.3	97.7	98.7	93.8	98.4	98.6	97.6	96.0	95.1	97.4	102.2
1961.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962.....	104.6	103.3	102.7	107.1	110.0	101.3	101.9	103.7	104.3	102.4	105.1
1963.....	109.4	106.5	105.0	114.9	119.9	102.7	104.2	107.9	109.4	105.0	109.6
1964.....	115.7	111.1	109.0	125.3	146.4	104.1	106.1	112.8	114.9	108.3	126.5
1965.....	122.2	117.3	114.1	138.9	160.8	104.2	107.1	118.4	121.7	113.7	131.6
1966.....	128.1	123.2	117.7	155.8	173.1	104.0	108.8	126.5	132.4	121.6	135.1
1967.....	134.2	127.5	121.8	175.2	182.9	105.3	110.2	137.4	143.8	130.5	136.3
1968.....	138.9	129.1	121.8	194.4	200.3	107.6	114.0	150.6	159.6	139.9	144.2
1969.....	145.0[2]	136.1[2]	n.a.	221.1	213.2	106.5	n.a.	162.5	n.a.	152.5	147.0
					(Percent change from previous year)						
1948.....	2.0	4.2	3.9	15.9	0.9	−2.1	−1.9	11.2	11.5	13.7	−1.1
1949.....	3.9	2.7	2.0	10.4	−4.8	1.1	1.9	7.5	8.3	6.3	−8.3
1950.....	5.2	1.5	−0.5	6.8	31.5	3.6	5.8	5.2	7.3	1.5	24.9
1951.....	5.6	3.7	2.6	14.4	16.6	1.8	3.0	10.3	11.6	8.3	10.3
1952.....	5.6	3.9	3.5	12.1	10.3	1.7	2.0	8.0	8.3	6.2	4.4
1953.....	4.3	2.4	1.0	8.8	−4.7	1.8	3.3	6.3	7.8	4.3	−8.6
1954.....	1.2	1.4	1.1	4.7	−12.9	−0.1	0.2	3.2	3.5	3.4	−14.0
1955.....	8.3	3.0	2.3	8.7	34.1	5.2	5.9	5.6	6.3	0.4	23.8
1956.....	7.8	6.2	6.4	11.9	19.6	1.5	1.3	5.4	5.2	3.8	10.9
1957.....	2.3	5.1	4.5	10.0	−5.3	−2.6	−2.1	4.7	5.3	7.5	−7.4
1958.....	1.3	0.4	−0.3	5.4	14.6	0.8	1.6	5.0	5.8	4.1	13.2
1959.....	6.1	3.1	2.8	7.7	11.7	2.9	3.2	4.5	4.7	1.5	5.3
1960.....	2.3	1.3	0.7	5.8	−0.5	1.0	1.6	4.4	5.0	3.3	−2.7
1961.....	3.8	2.4	1.3	6.6	1.6	1.5	2.5	4.1	5.2	2.6	−2.2
1962.....	4.6	3.3	2.7	7.1	10.0	1.3	1.9	3.7	4.3	2.4	5.1
1963.....	4.6	3.1	2.2	7.3	9.1	1.4	2.3	4.1	4.9	2.6	4.3
1964.....	5.8	4.3	3.8	9.0	22.1	1.4	1.9	4.5	5.0	3.1	15.4
1965.....	5.6	5.6	4.7	10.9	9.8	—	0.9	5.0	5.9	5.0	4.0
1966.....	4.8	5.0	3.2	12.2	7.7	−0.2	1.6	6.8	8.8	7.0	2.7
1967.....	4.8	3.5	3.5	12.4	5.7	1.2	1.2	8.6	8.6	7.3	0.9
1968.....	3.5	1.3	—	11.0	9.5	2.2	3.5	9.6	11.0	7.2	5.8
1969.....	4.4	5.4	n.a.	13.8	6.4	−1.0	n.a.	7.9	n.a.	9.0	1.9

[1]Estimated by the Department of Finance.
[2]Estimates based on data from the Dominion Bureau of Statistics.

SOURCE: DBS *Aggregate Productivity Trends.*
DBS *Daily Bulletin*, Wednesday, December 31, 1969.
DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 38

PRODUCTIVITY AND COSTS
MANUFACTURING INDUSTRIES

1947 to 1969

(1961=100)

Years	Output	Persons Employed	Total Man-Hours	Wages and Salaries[1]	Corporation Profits[1]	Output Per Person Employed	Output Per Man-Hour	Average Earnings Per Person Employed	Average Hourly Earnings	Wages and Salaries Per Unit of Output	Corporation Profits Per Unit of Output
1947.....	55.4	86.8	93.4	36.7	52.8	63.8	59.3	42.2	39.2	66.2	95.2
1948.....	57.8	88.8	95.9	42.4	57.7	65.1	60.3	47.7	44.2	73.3	99.8
1949.....	59.5	90.2	95.6	44.7	55.2	66.0	62.2	49.5	46.7	75.1	92.8
1950.....	63.4	91.7	96.3	47.9	74.5	69.1	65.8	52.2	49.7	75.5	117.5
1951.....	68.9	97.3	100.3	59.2	83.0	70.8	68.7	60.9	59.0	85.9	120.4
1952.....	71.5	99.9	101.9	66.2	77.6	71.6	70.2	66.2	64.9	92.6	108.5
1953.....	76.6	103.0	105.6	72.3	78.0	74.4	72.5	70.2	68.4	94.3	101.8
1954.....	74.9	98.6	99.2	71.5	67.6	76.0	75.5	72.6	72.1	95.5	90.3
1955.....	82.2	101.1	102.3	76.3	88.1	81.3	80.4	75.4	74.6	92.8	107.2
1956.....	89.9	105.3	107.3	84.7	96.9	85.4	83.8	80.4	78.9	94.2	107.7
1957.....	89.7	105.8	106.4	89.9	87.5	84.8	84.3	84.9	84.5	100.2	97.5
1958.....	88.0	100.5	101.2	89.8	84.9	87.6	87.0	89.4	88.8	102.1	96.5
1959.....	94.5	101.7	103.0	95.2	102.6	92.9	91.7	93.6	92.4	100.8	108.6
1960.....	96.1	100.5	101.0	98.6	95.7	95.6	95.1	98.1	97.6	102.6	99.6
1961.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962.....	110.5	102.7	103.1	107.1	118.2	107.6	107.2	104.3	103.9	97.0	107.0
1963.....	118.0	105.2	105.6	114.6	132.6	112.2	111.7	108.9	108.5	97.1	112.4
1964.....	129.2	110.0	111.0	125.2	149.9	117.5	116.4	113.9	112.8	96.9	116.0
1965.....	141.0	115.7	116.1	138.9	163.4	121.9	121.4	120.1	119.7	98.5	115.9
1966.....	151.2	121.2	120.7	155.9	165.1	124.8	125.3	128.6	129.1	103.1	109.2
1967.....	151.7	121.6	121.5	166.9	142.0	124.8	124.9	137.3	137.4	110.0	93.6
1968.....	159.4	122.9	122.6	178.2	156.0	129.7	130.0	145.0	145.3	111.8	97.8
1969.....	168.8[2]	127.3[2]	n.a.	197.2	170.2	132.6	n.a.	154.9	n.a.	116.8	100.8
						(Percent change from previous year)					
1948.....	4.3	2.3	2.7	15.6	9.3	2.0	1.6	13.0	12.6	10.8	4.7
1949.....	2.9	1.6	−0.3	5.4	−4.2	1.3	3.3	3.8	5.7	2.4	−7.0
1950.....	6.6	1.7	0.7	7.2	34.9	4.8	5.8	5.4	6.4	0.6	26.6
1951.....	8.7	6.1	4.2	23.6	11.4	2.4	4.3	16.5	18.7	13.8	2.5
1952.....	3.8	2.7	1.6	11.8	−6.5	1.1	2.1	8.9	10.0	7.7	− 9.9
1953.....	7.1	3.1	3.6	9.2	0.5	3.9	3.4	5.9	5.4	1.9	− 6.2
1954.....	−2.2	−4.3	−6.1	−1.0	−13.3	2.1	4.1	3.4	5.4	1.3	−11.3
1955.....	9.7	2.5	3.1	6.6	30.4	7.0	6.4	4.0	3.4	−2.8	18.8
1956.....	9.4	4.2	4.9	11.0	9.9	5.0	4.3	6.6	5.9	1.5	0.5
1957.....	−0.2	0.5	−0.8	6.1	−9.7	−0.7	0.6	5.6	7.0	6.3	− 9.5
1958.....	−1.9	−5.0	−4.9	—	−2.9	3.3	3.1	5.3	5.1	1.9	− 1.0
1959.....	7.4	1.2	1.8	6.0	20.8	6.1	5.5	4.7	4.1	−1.3	12.5
1960.....	1.7	−1.2	−1.9	3.6	−6.7	2.9	3.7	4.8	5.6	1.8	− 8.2
1961.....	4.1	−0.5	−1.0	1.4	4.4	4.6	5.1	1.9	2.4	−2.5	0.4
1962.....	10.5	2.7	3.1	7.1	18.2	7.6	7.2	4.3	3.9	−3.0	7.0
1963.....	6.8	2.4	2.4	7.0	12.1	4.2	4.3	4.4	4.4	0.2	5.0
1964.....	9.5	4.6	5.1	9.3	13.0	4.7	4.2	4.5	4.0	−0.2	3.2
1965.....	9.1	5.2	4.6	10.9	9.0	3.8	4.3	5.5	6.1	1.7	− 0.1
1966.....	7.2	4.8	4.0	12.2	1.0	2.4	3.1	7.1	7.9	4.6	− 5.8
1967.....	0.3	0.3	0.7	7.1	−14.0	—	−0.3	6.7	6.4	6.7	−14.3
1968.....	5.1	1.1	0.9	6.8	9.9	4.0	4.1	5.6	5.8	1.6	4.5
1969.....	5.9	3.6	n.a.	10.6	9.1	2.2	n.a.	6.8	n.a.	4.5	3.1

[1]Estimated by the Department of Finance.
[2]Estimates based on data from the Dominion Bureau of Statistics.

SOURCE: DBS *Aggregate Productivity Trends.*
DBS *Daily Bulletin,* Wednesday, December 31, 1969.
DBS *National Income and Expenditures Accounts.*

REFERENCE TABLE 39

GROSS NATIONAL EXPENDITURE IMPLICIT PRICE INDEXES[1]

1947 to 1969

(1961 = 100)

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation			Value of Physical Change in Inventories	Exports of Goods and Services	Imports of Goods and Services	Residual Error of Estimate	Gross National Expenditure
			Total	Government	Business					
1947	66.0	47.7	61.9	68.8	60.4	105.2	73.0	69.9	67.9	63.1
1948	74.8	54.2	70.1	77.2	68.5	190.2	78.2	78.2	74.1	70.8
1949	77.3	57.7	73.5	80.3	71.8	113.0	82.1	80.8	78.3	73.7
1950	79.7	59.9	76.8	83.8	75.1	98.9	85.8	86.5	78.8	75.4
1951	88.0	67.3	87.7	99.2	85.2	117.1	95.4	95.5	89.2	84.2
1952	89.7	70.6	90.4	101.6	88.0	109.2	94.3	88.8	92.2	87.8
1953	89.6	72.5	90.6	95.6	89.1	113.9	92.1	88.7	92.8	87.8
1954	90.5	75.4	90.3	95.7	88.8	108.5	91.3	88.9	93.0	89.2
1955	90.6	78.0	92.9	102.9	90.6	81.1	95.0	90.4	94.3	89.8
1956	91.9	83.0	97.9	114.1	94.7	127.2	97.6	93.4	97.9	92.9
1957	94.7	87.3	99.2	107.6	97.1	120.6	97.1	95.8	100.0	94.8
1958	97.2	89.9	98.6	102.2	97.4	143.0	96.7	97.1	101.4	96.1
1959	98.4	92.9	99.3	102.4	98.3	137.5	98.2	96.5	102.8	98.2
1960	99.4	96.6	100.6	103.4	99.7	118.9	98.8	97.4	100.0	99.4
1961	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	101.4	102.6	101.5	101.8	101.4	106.4	103.2	104.4	101.2	101.4
1963	103.0	106.3	104.1	105.9	103.7	102.8	104.5	106.2	103.5	103.3
1964	104.3	110.1	107.1	108.6	106.7	119.3	106.9	107.4	105.7	105.8
1965	106.5	116.6	112.3	115.9	111.5	107.0	108.5	107.6	109.3	109.5
1966	110.0	124.3	117.8	122.3	116.8	107.3	111.7	109.4	114.1	114.5
1967	113.7	134.4	118.3	121.6	117.5	130.8	113.6	111.5	118.4	118.4
1968	118.1	142.7	121.8	125.7	120.9	121.3	115.2	113.5	123.1	123.1
1969[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	128.3
	(Seasonally adjusted at annual rates)									
1968 I	116.8	139.1	119.8	124.1	118.8	145.6	115.0	112.9	120.8	121.6
II	117.7	139.7	122.1	128.1	120.6	112.4	115.3	113.3	122.2	122.4
III	118.4	144.8	122.8	128.3	121.5	109.7	115.3	113.4	123.2	123.6
IV	119.7	147.1	122.5	122.3	122.5	123.7	115.4	114.3	124.4	124.8
1969 I	120.7	147.5	125.6	131.1	124.4	109.6	116.6	115.3	126.0	126.0
II	122.2	151.6	127.6	129.1	127.3	95.4	118.0	116.6	127.7	127.9
III	123.1	156.9	129.8	133.4	129.1	95.8	117.6	117.8	129.7	129.2
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised national accounts figures. Quarterly revised figures prior to 1968 are not available.

[1]These implicit price indexes are currently weighted price indexes. They reflect not only pure price change, but also changing expenditure patterns within and between major groups. The implicit price index for gross national expenditure is derived by dividing the total of current dollars by the total of constant dollars.

[2]Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 40

CHANGES IN GROSS NATIONAL EXPENDITURE IMPLICIT PRICE INDEXES[1]

1947 to 1969

(1961=100)

Years and Quarters	Personal Expenditure on Consumer Goods and Services	Government Current Expenditure on Goods and Services	Gross Fixed Capital Formation			Value of Physical Change in Inventories	Exports of Goods and Services	Imports of Goods and Services	Residual Error of Estimate	Gross National Expenditure
			Total	Government	Business					
	(Per cent change from previous period)									
1947	9.6	7.4	10.5	9.7	10.6	−23.9	12.3	12.0	12.6	8.8
1948	13.3	13.6	13.2	12.2	13.4	80.8	7.1	11.9	9.1	12.2
1949	3.3	6.5	4.9	4.0	4.8	−40.6	5.0	3.3	5.7	4.1
1950	3.1	3.8	4.5	4.4	4.6	−12.5	4.5	7.1	0.6	2.3
1951	10.4	12.4	14.2	18.4	13.4	18.4	11.2	10.4	13.2	11.7
1952	1.9	4.9	3.1	2.4	3.3	−6.7	−1.2	−7.0	3.4	4.3
1953	−0.1	2.7	0.2	−5.9	1.2	4.3	−2.3	−0.1	0.7	—
1954	1.0	4.0	−0.3	0.1	−0.3	−4.7	−0.9	0.2	0.2	1.6
1955	0.1	3.4	2.9	7.5	2.0	−25.3	4.1	1.7	1.4	0.7
1956	1.4	6.4	5.4	10.9	4.5	56.8	2.7	3.3	3.8	3.5
1957	3.0	5.2	1.3	−5.7	2.5	−5.2	−0.5	2.6	2.1	2.0
1958	2.6	3.0	−0.6	−5.0	0.3	18.6	−0.4	1.4	1.4	1.4
1959	1.2	3.3	0.7	0.2	0.9	−3.8	1.6	−0.6	1.4	2.2
1960	1.0	4.0	1.3	1.0	1.4	−13.5	0.6	0.9	−2.7	1.2
1961	0.6	3.5	−0.6	−3.3	0.3	−15.9	1.2	2.7	—	0.6
1962	1.4	2.6	1.5	1.8	1.4	6.4	3.2	4.4	1.2	1.4
1963	1.6	3.6	2.6	4.0	2.3	−3.4	1.3	1.7	2.3	1.9
1964	1.3	3.6	2.9	2.5	2.9	16.1	2.3	1.1	2.1	2.4
1965	2.1	5.9	4.9	6.7	4.5	−10.3	1.5	0.2	3.4	3.5
1966	3.3	6.6	4.9	5.5	4.8	0.3	2.9	1.7	4.4	4.6
1967	3.4	8.1	0.4	−0.6	0.6	21.9	1.7	1.9	3.8	3.4
1968	3.9	6.2	3.0	3.4	2.9	−7.3	1.4	1.8	4.0	4.0
1969[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.3
	(Seasonally adjusted)									
1968 I	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
II	0.8	0.4	1.9	3.2	1.5	−22.8	0.3	0.4	1.2	0.7
III	0.6	3.7	0.6	0.2	0.7	−2.4	—	0.1	0.8	1.0
IV	1.1	1.6	−0.2	−4.7	0.8	12.8	0.1	0.8	1.0	1.0
1969 I	0.8	0.3	2.5	7.2	1.6	−11.4	1.0	0.9	1.3	1.0
II	1.2	2.8	1.6	−1.5	2.3	−13.0	1.2	1.1	1.3	1.5
III	0.7	3.5	1.7	3.3	1.4	0.4	−0.3	1.0	1.6	1.0
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTE: These are revised National Accounts figures. Quarterly revised figures prior to 1968 are not available.
[1]See footnote (1) on reference table 39.
[2]Estimated by the Department of Finance.

SOURCE: DBS *National Income and Expenditure Accounts.*

REFERENCE TABLE 41

CONSUMER PRICE INDEXES: STANDARD CLASSIFICATIONS

1947 to 1969

(1961=100)

Years and Months	All Items	Food	Housing	Clothing	Transportation	Health and Personal Care	Recreation and Reading	Tobacco and Alcohol
(Weights)	(100.0)	(26.7)	(32.2)	(11.3)	(12.0)	(6.6)	(4.7)	(6.5)
1947	65.6	64.1	n.a.	70.1	n.a.	n.a.	n.a.	n.a.
1948	75.1	78.6	n.a.	85.0	n.a.	n.a.	n.a.	n.a.
1949	77.4	80.6	75.1	88.9	71.1	64.4	68.4	86.0
1950	79.6	82.7	78.2	88.6	75.0	65.6	69.8	88.3
1951	88.0	94.4	85.4	97.6	80.4	71.5	75.1	95.9
1952	90.2	94.2	88.6	99.4	83.5	75.9	79.2	97.4
1953	89.4	90.8	90.1	97.9	84.8	77.3	79.9	92.9
1954	89.9	90.5	91.3	97.2	85.3	80.2	81.8	92.3
1955	90.1	90.4	91.9	96.0	84.3	81.6	83.9	92.3
1956	91.4	91.5	93.2	96.5	87.7	83.7	85.8	92.6
1957	94.3	95.6	95.1	96.4	92.4	89.0	88.8	94.1
1958	96.8	98.5	96.8	97.5	95.2	93.6	94.7	95.1
1959	97.9	97.7	98.6	97.7	98.4	96.7	97.0	98.0
1960	99.1	98.5	99.6	98.6	99.8	99.5	98.8	99.6
1961[1]	100.0	100.0[2]	100.0	100.0	100.0	100.0	100.0	100.0
1962	101.2	101.8	101.2	100.9	99.9	102.0	100.8	101.3
1963	103.0	105.1	102.3	103.4	99.9	104.6	102.2	101.5
1964	104.8	106.8	103.9	106.0	101.0	108.0	103.9	103.4
1965	107.4	109.6	105.8	107.9	104.8	113.0	105.6	105.1
1966	111.4	116.6	108.7	112.0	107.3	116.5	108.6	107.6
1967	115.4	118.1	113.4	117.6	111.8	122.5	114.1	110.4
1968	120.1	122.0	118.6	121.1	114.7	127.4	119.7	120.4
1969	125.5	127.1	124.7	124.5	120.0	133.6	126.8	125.0
	(Not seasonally adjusted)							
1969 J	122.6	125.1	121.9	121.5	116.3	129.5	124.2	121.3
F	122.6	123.9	122.3	121.8	117.3	129.6	124.7	121.9
M	123.2	123.8	122.8	123.8	118.3	129.5	125.1	121.9
A	124.6	125.0	123.7	124.3	119.9	133.7	125.4	125.5
M	124.9	125.1	124.2	123.8	120.4	134.2	127.4	125.8
J	125.9	127.8	124.7	124.9	120.6	134.2	127.4	125.8
J	126.4	128.8	125.2	124.8	120.7	134.2	127.4	126.3
A	126.9	130.6	125.4	125.0	120.5	134.2	127.6	126.4
S	126.6	128.5	125.7	125.2	120.9	135.0	128.0	126.4
O	126.8	127.8	126.4	126.1	120.9	136.1	128.1	126.4
N	127.4	128.8	126.9	126.3	121.8	136.4	128.5	126.3
D	127.9	129.8	127.6	126.4	122.0	136.8	128.1	126.3

[1]1957 weights replace 1947–48 weights beginning January 1961.
[2]The system of variable weights for seasonal foods was revised beginning January 1961.

SOURCE: DBS *Prices and Price Indexes*, Monthly, Cat. 62-002.

REFERENCE TABLE 42

CHANGES IN THE CONSUMER PRICE INDEXES: STANDARD CLASSIFICATIONS

1947 to 1969

(1961=100)

Years and Months	All Items	Food	Housing	Clothing	Trans-portation	Health and Personal Care	Recreation and Reading	Tobacco and Alcohol
	(Per cent change from same period a year ago)							
1947	9.4	13.6	n.a.	14.0	n.a.	n.a.	n.a.	n.a.
1948	14.5	22.6	n.a.	21.3	n.a.	n.a.	n.a.	n.a.
1949	3.1	2.5	n.a.	4.6	n.a.	n.a.	n.a.	n.a.
1950	2.8	2.6	4.1	−0.3	5.5	1.9	2.0	2.7
1951	10.6	14.1	9.2	10.2	7.2	9.0	7.6	8.6
1952	2.5	−0.2	3.7	1.8	3.9	6.2	5.5	1.6
1953	−0.9	−3.6	1.7	−1.5	1.6	1.8	0.9	−4.6
1954	0.6	−0.3	1.3	−0.7	0.6	3.8	2.4	−0.6
1955	0.2	−0.1	0.7	−1.2	−1.2	1.7	2.6	—
1956	1.4	1.2	1.4	0.5	4.0	2.6	2.3	0.3
1957	3.2	4.5	2.0	−0.1	5.4	6.3	3.5	1.6
1958	2.7	3.0	1.8	1.1	3.0	5.2	6.6	1.1
1959	1.1	−0.8	1.9	0.2	3.4	3.3	2.4	3.0
1960	1.2	0.8	1.0	0.9	1.4	2.9	1.9	1.6
1961[1]	0.9	1.5[2]	0.4	1.4	0.2	0.5	1.2	0.4
1962	1.2	1.8	1.2	0.9	−0.1	2.0	0.8	1.3
1963	1.8	3.2	1.1	2.5	—	2.5	1.4	0.2
1964	1.7	1.6	1.6	2.5	1.1	3.3	1.7	1.9
1965	2.5	2.6	1.8	1.8	3.8	4.6	1.6	1.6
1966	3.7	6.4	2.7	3.8	2.4	3.1	2.8	2.4
1967	3.6	1.3	4.3	5.0	4.2	5.2	5.1	2.6
1968	4.1	3.3	4.6	3.1	2.6	4.0	4.9	9.1
1969	4.5	4.2	5.1	2.8	4.6	4.9	5.9	3.7
	(Not seasonally adjusted)							
1969 J	3.8	3.1	5.0	2.4	2.2	3.8	6.6	3.5
F	3.7	2.6	4.8	2.3	3.6	3.6	6.0	3.9
M	3.9	3.3	4.9	2.7	3.8	3.5	5.9	2.4
A	4.4	3.5	5.2	2.6	4.8	5.4	6.5	3.5
M	4.7	4.2	5.3	2.6	5.2	5.3	6.9	3.7
J	5.2	6.1	5.4	3.1	4.8	5.3	6.9	3.7
J	5.0	5.1	5.4	3.1	4.9	4.8	6.5	4.1
A	5.1	5.4	5.5	3.6	4.7	4.7	6.4	4.2
S	4.5	4.1	4.9	3.3	4.8	5.1	5.8	4.2
O	4.4	4.0	5.1	2.7	5.2	5.5	5.5	4.2
N	4.5	4.4	5.0	2.4	5.3	5.4	4.2	4.1
D	4.6	4.3	5.5	2.4	5.4	5.7	3.9	4.1

[1], [2]See footnotes (1) and (2) on reference table 41.

SOURCE: DBS *Prices and Prices Indexes.*

REFERENCE TABLE 43

CONSUMER PRICE INDEXES: SUPPLEMENTARY CLASSIFICATIONS

1949 to 1969

(1961=100)

Years and Months	Total Consumer Price Index	Total Commodities	Total Commodities Excluding Food	Non-Durables	Non-Durables Excluding Food	Durables	Total Services	Services Excluding Shelter
(Weights)	(100.0)	(70.2)	(43.5)	(57.9)	(31.2)	(12.3)	(22.3)	(12.7)
1949	77.4	83.3	84.9	82.9	84.5	86.1	64.4	61.5
1950	79.6	85.0	86.2	84.5	85.9	87.6	68.0	63.9
1951	88.0	95.0	94.9	94.3	93.5	99.7	72.5	68.6
1952	90.2	95.8	96.8	94.9	95.4	101.8	77.2	73.4
1953	89.4	93.7	95.8	92.6	94.3	100.9	79.9	75.7
1954	89.9	93.4	95.4	92.4	94.1	100.1	82.7	78.4
1955	90.1	92.8	94.4	92.0	93.5	97.5	84.6	80.1
1956	91.4	93.5	94.8	92.8	94.2	97.2	87.3	83.4
1957	94.3	96.2	96.4	95.6	95.5	99.7	90.8	88.0
1958	96.8	98.4	98.0	97.9	97.2	101.2	94.0	91.9
1959	97.9	98.7	99.3	98.1	98.6	102.1	96.6	95.3
1960	99.1	99.5	99.9	99.0	99.4	101.8	98.7	98.1
1961[1]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1962	101.2	100.9	100.2	101.2	100.7	99.3	101.4	102.1
1963	103.0	102.6	101.0	103.3	101.7	99.5	102.8	104.1
1964	104.8	103.9	102.1	104.9	103.4	98.6	105.4	107.9
1965	107.4	105.6	103.2	107.0	104.9	98.7	109.8	114.6
1966	111.4	109.6	105.3	111.7	107.7	99.1	113.6	119.6
1967	115.4	112.4	109.2	114.6	111.9	102.1	119.7	127.0
1968	120.1	116.4	113.2	119.0	116.9	103.9	125.0	132.6
1969	125.5	120.3	116.2	123.6	120.5	104.9	132.3	141.8
	(Not seasonally adjusted)							
1969 J	122.6	118.1	114.3	121.0	118.1	104.3	127.8	135.7
F	122.6	118.1	114.7	120.9	118.6	104.3	128.5	136.7
M	123.2	118.4	115.3	121.3	119.3	104.6	129.3	137.9
A	124.6	119.4	116.0	122.4	120.3	105.1	131.4	141.3
M	124.9	119.8	116.1	122.9	120.4	105.0	132.2	142.4
J	125.9	121.4	116.4	124.9	120.8	105.0	133.0	143.1
J	126.4	121.5	116.4	125.1	120.8	104.8	133.4	143.4
A	126.9	121.6	116.4	125.3	121.0	104.5	133.6	143.5
S	126.6	121.0	116.7	124.5	121.3	104.5	134.1	144.1
O	126.8	120.9	116.9	124.4	121.6	104.6	134.5	144.4
N	127.4	121.5	117.4	124.8	121.7	106.2	134.5	144.3
D	127.9	122.1	117.7	125.5	122.0	106.3	135.0	144.6

[1]See footnote (1) on reference table 41.

SOURCE: DBS *Prices and Price Indexes.*

REFERENCE TABLE 44

CHANGES IN THE CONSUMER PRICE INDEXES: SUPPLEMENTARY CLASSIFICATIONS

1950 to 1969

Years and Months	Total Consumer Price Index	Total Commodities	Total Commodities Excluding Food	Non-Durables	Non-Durables Excluding Food	Durables	Total Services	Services Excluding Shelter
	(Per cent change from same period a year ago)							
1950	2.8	2.0	1.5	1.9	1.7	1.7	5.6	3.9
1951	10.6	11.8	10.1	11.6	8.8	13.8	6.6	7.4
1952	2.5	0.8	2.0	0.6	2.0	2.1	6.5	7.0
1953	−0.9	−2.2	−1.0	−2.4	−1.2	−0.9	3.5	3.1
1954	0.6	−0.3	−0.4	−0.2	−0.2	−0.8	3.5	3.6
1955	0.2	−1.6	−1.0	−0.4	−0.6	−2.6	2.3	2.2
1956	1.4	0.8	0.8	0.9	0.7	−0.3	3.2	4.1
1957	3.2	2.9	1.7	3.0	1.4	2.6	4.0	5.5
1958	2.7	2.3	1.7	2.4	1.8	1.5	3.5	4.4
1959	1.1	0.3	1.3	0.2	1.4	0.9	2.8	3.7
1960	1.2	0.8	0.6	0.9	0.8	−0.3	2.2	2.9
1961[1]	0.9	0.5	0.1	1.0	0.6	−1.8	1.3	1.9
1962	1.2	0.9	0.2	1.2	0.7	−0.7	1.4	2.1
1963	1.8	1.7	0.8	2.1	1.0	0.2	1.4	2.0
1964	1.7	1.3	1.1	1.5	1.7	−0.9	2.5	3.7
1965	2.5	1.6	1.1	2.0	1.5	0.1	4.2	6.2
1966	3.7	3.7	2.0	4.4	2.7	0.4	3.5	4.4
1967	3.6	2.6	3.7	2.6	3.9	3.0	5.4	6.2
1968	4.1	3.6	3.7	3.8	4.5	1.8	4.4	4.4
1969	4.5	3.4	2.7	3.9	3.1	1.0	5.8	6.9
	(Not seasonally ajusted)							
1969 J	3.8	3.0	2.6	3.4	3.3	0.6	4.3	4.4
F	3.7	2.7	2.8	3.1	3.2	0.9	4.9	5.4
M	3.9	2.8	2.4	3.1	2.8	0.7	5.2	5.8
A	4.4	3.2	2.6	3.6	3.1	1.1	6.2	7.6
M	4.7	3.5	2.6	4.1	3.1	1.1	6.4	7.8
J	5.2	4.7	2.7	5.4	3.3	1.1	6.2	7.7
J	5.0	4.3	2.6	4.9	3.1	1.0	6.2	7.6
A	5.1	4.1	2.6	4.8	3.2	1.3	6.1	7.5
S	4.5	3.2	2.6	3.7	3.1	0.9	6.2	7.6
O	4.4	2.7	2.4	3.2	2.8	0.9	6.3	7.8
N	4.5	3.2	2.4	3.6	2.6	1.6	5.7	6.9
D	4.6	3.3	2.5	3.7	2.8	1.6	6.0	7.1

[1]See footnote (1) on reference table 41.

SOURCE: DBS *Prices and Price Indexes.*

REFERENCE TABLE 45

CONTRIBUTIONS TO CHANGES IN THE CONSUMER PRICE INDEX

1963 to 1969

—	1963	1964	1965	1966	1967	1968	1969
	(Percentage points)						
All items	1.8	1.8	2.4	3.7	3.5	4.1	4.5
Food	0.9	0.4	0.7	1.6	0.4	0.9	1.1
Housing	0.4	0.5	0.6	0.9	1.4	1.5	1.6
Clothing	0.2	0.3	0.2	0.4	0.5	0.3	0.3
Transportation	—	0.2	0.4	0.3	0.5	0.3	0.5
Health and personal care	0.2	0.2	0.3	0.3	0.4	0.3	0.4
Recreation and reading	0.1	0.1	0.1	0.1	0.2	0.2	0.3
Tobacco and alcohol	—	0.1	0.1	0.1	0.1	0.6	0.3
All items	1.8	1.8	2.4	3.7	3.5	4.1	4.5
All commodities	1.2	0.9	1.0	2.4	1.6	2.4	2.3
Durables	—	—0.1	—	—	0.3	0.2	0.1
Non-durables	1.2	1.0	1.0	2.4	1.3	2.2	2.2
Non-durables excluding food	0.3	0.5	0.4	0.8	1.0	1.4	0.9
Services	0.3	0.7	1.1	1.0	1.4	1.0	1.4
Portion of shelter excluded[1]	0.3	0.2	0.3	0.3	0.5	0.7	0.8

[1]Includes new houses, property taxes and mortgage interest.

SOURCE: DBS *Prices and Price Indexes.*

REFERENCE TABLE 46

OTHER PRICES INDEXES

1947 to 1969

Years and Months	Prices of Commodities and Services Used by Farmers	Farm Prices of Agricultural Products[1]	Wholesale Price Indexes		Thirty Industrial Materials	Building Materials		Merchandise Export Prices	Merchandise Import Prices	Terms of Trade[3]
			Raw and Partly Manufactured Goods[2]	Fully and Chiefly Manufactured Goods[2]		Residential	Non-Residential			
	(1935-39) =100)	(1961 =100)	(1935-39=100)			(1961=100)		(1948=100)		
1947	157.5	83.6	164.3	162.4	187.0	61.7	64.5	91.6	88.0	104.1
1948	183.7	99.1	196.3	192.4	222.7	74.4	73.2	100.0	100.0	100.0
1949	191.7	98.9	197.1	199.2	218.0	77.9	76.3	103.3	102.6	100.7
1950	197.3	101.0	212.8	211.0	244.6	83.0	80.1	108.3	110.3	98.2
1951	217.5	115.0	237.9	242.4	296.1	97.8	90.5	123.9	126.2	98.2
1952	229.8	106.3	218.7	230.7	252.6	97.4	93.9	121.8	110.4	110.3
1953	225.3	97.0	207.0	228.8	232.3	96.6	94.8	118.3	109.4	108.1
1954	224.2	91.7	204.8	224.2	223.7	94.9	92.9	115.1	109.5	105.1
1955	224.5	90.1	209.7	224.5	236.0	96.9	94.2	117.7	110.5	106.5
1956	230.3	90.9	215.8	231.5	248.2	100.1	97.7	121.3	113.0	107.3
1957	238.7	91.2	209.4	237.9	240.3	100.1	99.2	121.3	116.4	104.2
1958	242.7	95.2	209.3	238.3	229.8	99.2	99.0	120.6	116.5	103.5
1959	249.7	95.2	210.9	241.6	240.2	101.3	100.5	122.8	114.4	107.3
1960	254.7	96.1	209.6	242.2	240.4	100.7	101.0	123.0	115.5	106.5
1961	259.0	100.0	212.6	244.5	243.2	100.0	100.0	124.0	119.1	104.1
1962	265.8	104.3	223.8	249.0	248.0	101.1	100.6	128.1	124.5	102.9
1963	273.8	102.9	226.9	254.2	253.5	104.4	103.0	128.9	129.4	99.6
1964	281.6	101.3	225.7	256.4	258.3	111.1	106.5	130.7	130.8	99.9
1965	289.3	107.8	231.2	261.3	258.7	116.1	112.0	132.4	130.8	101.2
1966	305.2	117.0	242.7	268.6	261.4	120.0	115.4	137.9	132.5	104.1
1967	322.6	116.0	246.1	274.2	253.1	124.3	117.8	140.6	133.5	105.3
1968	338.9	113.7	249.1	281.6	254.0	131.3	120.6	145.6	135.7	107.3
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)									
1969 J	344.1	112.2	255.4	290.8	261.4	138.2	123.1	147.6	137.4	107.4
F	n.a.	112.4	255.9	292.0	263.5	139.8	123.8	149.0	139.0	107.2
M	n.a.	112.2	255.0	293.7	264.1	143.2	125.5	150.2	140.0	107.3
A	355.2	113.4	256.6	296.6	267.7	146.0	126.5	151.3	139.5	108.5
M	n.a.	117.0	260.4	295.7	271.8	145.0	126.7	152.0	139.5	109.0
J	n.a.	119.3	263.2	296.2	270.6	142.4	126.2	152.5	139.7	109.2
J	n.a.	119.6	262.6	294.0	269.2	141.3	126.0	153.2	140.4	109.1
A	356.8	115.8	262.0	293.8	269.2	140.4	126.4	153.0	141.1	109.4
S	n.a.	115.8	261.8	295.4	270.4	138.9	126.6	152.7	141.8	107.7
O	n.a.	113.3	261.5	295.4	266.8	137.9	126.8	153.0	142.5	107.4
N	n.a.	114.3	261.1	296.2	267.8	138.4	127.6	153.5	142.7	107.6

[1]Exclusive of Newfoundland. Western grain prices used in the construction of the index prior to August 1, 1967 are final prices. From August 1, 1968 to date, the western grain prices used in the index are initial prices only for wheat, oats and barley. For the period August 1, 1967 to July 31, 1968, the western grain prices used in the construction of the index are final prices for oats and barley and initial prices for wheat.

[2]These two series comprise the general wholesale price index.

[3]The index of the ratio of merchandise export prices to merchandise import prices.

SOURCE: DBS *Prices and Price Indexes.*
DBS *Trade of Canada Exports*, Monthly, Cat. 65-004.
DBS *Trade of Canada Imports*, Monthly, Cat. 65-007.
DBS *Price Index Numbers of Commodities and Services Used by Farmers*, Monthly, Cat. 62-004.
DBS *Index Numbers of Farm Prices of Agricultural Products*, Monthly, Cat. 62-003.

REFERENCE TABLE 47

CHANGES IN OTHER PRICE INDEXES

1947 to 1969

Years and Months	Prices of Commodities and Services Used by Farmers	Farm Prices of Agricultural Products[1]	Wholesale Price Indexes		Thirty Industrial Materials	Building Materials		Merchandise Export Prices	Merchandise Import Prices	Terms of Trade[3]
			Raw and Partly Manufactured Goods[2]	Fully and Chiefly Manufactured Goods[2]		Residential	Non-Residential			
	(Per cent change from same period a year ago)									
1947	8.6	5.7	17.3	17.7	25.8	16.7	12.7	14.6	15.0	−0.3
1948	16.6	18.5	19.5	18.5	19.1	20.6	13.5	9.2	13.6	−3.9
1949	4.4	−0.2	0.4	3.5	−2.1	4.7	4.2	3.3	2.6	0.7
1950	2.9	2.1	8.0	5.9	12.2	6.5	5.0	4.8	7.5	−2.5
1951	10.2	13.9	11.8	14.9	21.1	17.8	13.0	14.4	14.4	—
1952	5.7	−7.6	−8.1	−4.8	−14.7	−0.4	3.8	−1.7	−12.5	13.1
1953	−2.0	−8.7	−5.3	−0.8	−8.0	−0.8	1.0	−2.9	−0.9	−2.0
1954	−0.5	−5.5	−1.1	−2.0	−3.7	−1.8	−2.0	−2.7	0.1	−2.8
1955	0.1	−1.7	2.4	0.1	5.5	2.1	1.4	2.3	0.9	1.3
1956	2.6	0.9	2.9	3.1	5.2	3.3	3.7	3.1	2.3	0.8
1957	3.6	0.3	−3.0	2.8	−3.2	—	1.5	—	3.0	−2.9
1958	1.7	4.4	—	0.2	−4.4	−0.9	−0.2	−0.6	0.1	−0.7
1959	2.9	—	0.8	1.4	4.5	2.1	1.5	1.8	−1.8	3.7
1960	2.0	0.9	−0.6	0.2	0.1	−0.6	0.5	0.2	1.0	−0.7
1961	1.7	4.1	1.4	0.9	1.2	−0.7	−1.0	0.8	3.1	−2.3
1962	2.6	4.3	5.3	1.8	2.0	1.1	0.6	3.3	4.5	−1.2
1963	3.0	−1.3	1.4	2.1	2.2	3.3	2.4	0.6	3.9	−3.2
1964	2.8	−1.6	−0.5	0.9	1.9	6.4	3.4	1.4	1.1	0.3
1965	2.7	6.4	2.4	1.9	0.2	4.5	5.2	1.3	—	1.3
1966	5.5	8.5	5.0	2.8	1.0	3.4	3.0	4.2	1.3	2.9
1967	5.7	−0.9	1.4	2.1	−3.2	3.6	2.1	2.0	0.8	1.2
1968	5.1	−2.0	1.2	2.7	0.4	5.6	2.4	3.6	1.6	1.9
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)									
1969 J	4.7	−0.4	2.6	4.8	3.0	8.1	2.8	3.4	1.3	2.0
F	n.a.	−0.1	3.3	5.0	4.4	9.0	3.2	4.0	1.7	2.3
M	n.a.	—	1.9	5.5	4.2	11.0	4.3	4.4	2.7	1.6
A	3.8	1.0	3.5	6.4	6.7	12.2	5.0	4.6	2.4	2.2
M	n.a.	3.4	4.5	5.7	8.0	11.4	5.1	4.4	2.8	1.6
J	n.a.	4.1	4.9	5.3	7.1	8.4	4.6	4.5	2.7	1.8
J	n.a.	2.8	5.8	4.6	6.2	7.5	4.9	4.7	3.8	0.8
A	3.2	0.7	5.5	4.1	5.9	6.4	5.0	4.8	4.4	0.3
S	n.a.	−0.2	5.0	3.9	6.6	4.3	4.9	4.2	4.6	−0.3
O	n.a.	−0.2	5.7	3.7	4.5	3.3	5.0	4.6	4.9	−0.3
N	n.a.	0.9	4.6	3.6	4.1	3.4	5.0	4.8	4.5	0.4

[1], [2], [3]See footnotes (1), (2) and (3) on reference table 46.

SOURCE: DBS *Prices and Price Indexes.*
DBS *Trade of Canada Exports.*
DBS *Trade of Canada Imports.*
DBS *Price Index Numbers of Commodities and Services Used by Farmers.*
DBS *Index Numbers of Farm Prices of Agricultural Products.*

REFERENCE TABLE 48

TOTAL GOVERNMENT EXPENDITURES

(Unrevised National Accounts Basis)

1947 to 1969

Years and Quarters	Goods and Services	Transfer Payments to Persons	Interest on the Public Debt	Subsidies	Capital Assistance[1]	Canada and Quebec Pension Plans	Total Expenditures[2]	Deficit (−) or Surplus
	(Millions of dollars)							
1947	1,541	839	559	177	—	—	3,116	753
1948	1,797	862	558	75	—	—	3,292	708
1949	2,127	948	572	77	—	—	3,724	373
1950	2,344	1,030	545	63	—	—	3,982	585
1951	3,271	1,032	553	128	—	—	4,984	985
1952	4,279	1,359	580	100	—	—	6,318	253
1953	4,432	1,461	610	110	—	—	6,613	175
1954	4,461	1,634	669	86	—	—	6,850	−131
1955	4,792	1,737	669	82	—	—	7,280	106
1958	5,386	1,766	714	123	—	—	7,989	350
1957	5,722	2,076	739	116	—	—	8,653	100
1958	6,180	2,637	782	146	—	—	9,745	−1,007
1959	6,490	2,755	963	205	—	—	10,413	−556
1960	6,769	3,120	1,095	235	—	—	11,219	−717
1961	7,236	3,441	1,170	251	6	—	12,104	−1,005
1962	7,717	3,725	1,305	292	27	—	13,066	−854
1963	8,075	3,848	1,423	311	61	—	13,718	−690
1964	8,654	4,133	1,526	323	82	—	14,718	36
1965	9,614	4,574	1,645	326	84	—	16,243	325
1966	11,286	5,047	1,805	516	59	—	18,713	348
1967	12,377	6,223	1,982	522	65	—	21,169	157
1968	13,329	7,179	2,262	500	70	15	23,355	800
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)							
1968 I	12,840	6,632	2,092	444	80	4	22,092	1,168
II	13,112	7,160	2,260	472	36	12	23,052	220
III	13,408	7,388	2,364	532	108	16	23,816	436
IV	13,956	7,536	2,332	552	56	28	24,460	1,376
1969 I	14,228	7,680	2,448	496	56	32	24,940	1,908
II	14,752	8,064	2,604	568	96	48	26,132	1,468
III	14,948	8,092	2,568	488	64	60	26,220	1,404
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

[1]From 1961 on, this item is treated as government current expenditure; prior to 1961, it was treated as capital transfer.
[2]Excludes inter-governmental transfers.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 49

FEDERAL GOVERNMENT EXPENDITURES

1947 to 1969

Years and Quarters	Goods and Services	Transfer Payments to Persons	Interest on the Public Debt	Subsidies	Capital Assistance[1]	Transfers to Other Levels of Government	Total Expenditures	Deficit (−) or Surplus
	(Millions of dollars)							
1947	629	611	453	171	—	192	2,056	684
1948	673	570	453	71	—	150	1,917	760
1949	870	583	461	73	—	187	2,174	480
1950	977	615	427	60	—	251	2,380	635
1951	1,702	577	427	124	—	259	3,089	1,021
1952	2,489	979	441	96	—	368	4,373	253
1953	2,559	1,046	461	106	—	412	4,584	142
1954	2,449	1,161	504	84	—	430	4,628	−100
1955	2,510	1,232	494	75	—	450	4,761	176
1956	2,683	1,224	524	118	—	485	5,034	544
1957	2,728	1,463	519	108	—	521	5,339	249
1958	2,854	1,899	544	131	—	663	6,091	−757
1959	2,832	1,791	678	189	—	880	6,370	−327
1960	2,730	1,976	753	209	—	994	6,662	−251
1961	2,982	2,006	786	221	6	1,128	7,129	−461
1962	3,025	2,112	866	260	27	1,134	7,424	−565
1963	2,934	2,133	935	275	61	1,169	7,507	−330
1964	3,046	2,239	995	277	82	1,252	7,891	344
1965	3,293	2,312	1,052	259	84	1,434	8,434	625
1966	3,920	2,478	1,151	375	59	1,662	9,645	164
1967	4,259	2,936	1,245	390	65	1,992	10,887	−256
1968	4,475	3,277	1,409	375	70	2,452	12,058	−165
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)							
1968 I	4,384	3,064	1,256	328	80	2,324	11,436	108
II	4,348	3,400	1,424	352	36	2,564	12,124	−936
III	4,376	3,292	1,500	388	108	2,376	12,040	−80
IV	4,792	3,352	1,456	432	56	2,544	12,632	248
1969 I	5,132	3,536	1,436	376	56	2,728	13,264	48
II	5,108	3,584	1,604	456	96	2,780	13,628	76
III	5,120	3,696	1,600	348	64	2,684	13,512	280
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

[1]See footnote (1) on reference table 48.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 50

PROVINCIAL-MUNICIPAL GOVERNMENT EXPENDITURES

1947 to 1969

Years and Quarters	Goods and Services	Transfer Payments to Persons	Interest on the Public Debt	Subsidies	Total Expenditures	Deficit (−) or Surplus
	(Millions of dollars)					
1947	912	228	106	6	1,252	69
1948	1,124	292	105	4	1,525	−52
1949	1,257	365	111	4	1,737	−107
1950	1,367	415	118	3	1,903	−50
1951	1,569	455	126	4	2,154	−36
1952	1,790	380	139	4	2,313	—
1953	1,873	415	149	4	2,441	33
1954	2,012	473	165	2	2,652	−31
1955	2,282	505	175	7	2,969	−70
1956	2,703	542	190	5	3,440	−194
1957	2,994	613	220	8	3,835	−149
1958	3,326	738	238	15	4,317	−250
1959	3,658	964	285	16	4,923	−229
1960	4,039	1,144	342	26	5,551	−466
1961	4,254	1,435	384	30	6,103	−544
1962	4,692	1,613	439	32	6,776	−289
1963	5,141	1,715	488	36	7,380	−360
1964	5,608	1,894	531	46	8,079	−308
1965	6,321	2,262	593	67	9,243	−300
1966	7,366	2,569	654	141	10,730	−535
1967	8,118	3,287	737	132	12,274	−473
1968	8,854	3,902	853	125	13,734	−25
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)					
1968 I	8,456	3,568	836	116	12,976	108
II	8,764	3,760	836	120	13,480	168
III	9,032	4,096	864	144	14,136	−460
IV	9,164	4,184	876	120	14,344	84
1969 I	9,096	4,144	1,012	120	14,372	780
II	9,644	4,480	1,000	112	15,236	276
III	9,828	4,396	968	140	15,332	24
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 51

TOTAL GOVERNMENT REVENUES

(Unrevised National Accounts Basis)

1947 to 1969

Years and Quarters	Direct Taxes		Withholding Taxes	Indirect Taxes	Investment Income[2]	Employer and Employee Contributions to Social Insurance and Government Pension Funds[2]	Canada and Quebec Pension Plans[3]	Total Revenues[1][3]
	Persons	Corporations						
	(Millions of dollars)							
1947	791	702	35	1,785	375	181	—	3,869
1948	822	687	41	1,840	386	224	—	4,000
1949	789	718	47	1,885	419	239	—	4,097
1950	740	983	54	2,063	471	256	—	4,567
1951	1,030	1,416	56	2,597	534	336	—	5,969
1952	1,323	1,384	55	2,817	617	375	—	6,571
1953	1,432	1,220	54	3,021	651	410	—	6,788
1954	1,437	1,082	58	3,033	687	422	—	6,719
1955	1,499	1,272	67	3,319	753	476	—	7,386
1956	1,732	1,413	69	3,759	834	532	—	8,339
1957	1,917	1,337	83	3,977	849	590	—	8,753
1958	1,795	1,315	48	4,028	937	615	—	8,738
1959	2,088	1,581	74	4,464	998	652	—	9,857
1960	2,360	1,544	79	4,705	1,063	751	—	10,502
1961	2,511	1,612	116	4,947	1,126	787	—	11,099
1962	2,729	1,710	125	5,585	1,251	812	—	12,212
1963	2,916	1,827	127	5,911	1,395	852	—	13,028
1964	3,428	2,053	140	6,695	1,526	912	—	14,754
1965	3,913	2,225	168	7,564	1,671	1,027	—	16,568
1966	4,484	2,252	203	8,466	1,808	1,129	719	19,061
1967	5,493	2,208	218	9,227	2,112	1,182	886	21,326
1968	6,660	2,593	209	10,021	2,294	1,373	1,005	24,155
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)							
1968 I	6,412	2,396	220	9,812	2,160	1,304	956	23,260
II	6,236	2,480	208	9,768	2,292	1,288	1,000	23,272
III	6,716	2,608	232	10,044	2,308	1,352	992	24,252
IV	7,276	2,888	176	10,460	2,416	1,548	1,072	25,836
1969 I	7,588	2,976	212	10,860	2,600	1,500	1,112	26,848
II	8,200	2,832	240	10,960	2,644	1,560	1,164	27,600
III	8,584	2,396	264	11,012	2,636	1,572	1,160	27,624
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

(1) Excludes inter-governmental transfers.

(2) Excludes receipts from Canada and Quebec Pension Plans.

(3) Includes receipts from Canada and Quebec Pension Plans.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 52

FEDERAL GOVERNMENT REVENUES

1947 to 1969

Years and Quarters	Direct Taxes		Withholding Taxes	Indirect Taxes	Investment Income	Employer and Employee Contributions to Social Insurance and Government Pension Funds	Total Revenues
	Persons	Corporations					
	(Millions of dollars)						
1947	729	631	35	1,136	109	100	2,740
1948	752	568	41	1,086	101	129	2,677
1949	707	588	47	1,048	123	141	2,654
1950	654	837	54	1,115	146	159	2,965
1951	931	1,227	56	1,495	180	221	4,110
1952	1,223	1,275	55	1,595	231	247	4,626
1953	1,329	1,144	54	1,697	232	270	4,726
1954	1,319	1,018	58	1,612	234	287	4,528
1955	1,325	1,210	67	1,744	267	324	4,937
1956	1,550	1,334	69	1,972	296	357	5,578
1957	1,723	1,132	83	1,990	276	384	5,588
1958	1,581	1,075	48	1,912	327	391	5,334
1959	1,770	1,310	74	2,125	350	414	6,043
1960	2,017	1,266	79	2,180	382	487	6,411
1961	2,132	1,311	116	2,190	409	510	6,668
1962	2,088	1,279	125	2,401	448	518	6,859
1963	2,193	1,362	127	2,451	510	534	7,177
1964	2,558	1,546	140	2,847	570	574	8,235
1965	2,716	1,675	168	3,252	630	618	9,059
1966	2,955	1,696	203	3,575	690	690	9,809
1967	3,572	1,630	218	3,707	800	704	10,631
1968	4,283	1,932	209	3,764	878	827	11,893
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)						
1968 I	4,260	1,788	220	3,716	784	776	11,544
II	3,952	1,852	208	3,576	844	756	11,188
III	4,272	1,944	232	3,772	952	788	11,960
IV	4,648	2,144	176	3,992	932	988	12,880
1969 I	4,976	2,216	212	3,924	1,044	940	13,312
II	5,368	2,112	240	3,988	1,004	992	13,704
III	5,656	1,784	264	4,040	1,068	980	13,792
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 53

PROVINCIAL-MUNICIPAL GOVERNMENT REVENUES

1947 to 1969

Years and Quarters	Direct Taxes		Indirect Taxes	Investment Income	Employer and Employee Contributions to Social Insurance and Government Pension Funds	Transfers from Federal Government	Total Revenues
	Persons	Corporations					
	(Millions of dollars)						
1947	62	71	649	266	81	192	1,321
1948	70	119	754	285	95	150	1,473
1949	82	130	837	296	98	187	1,630
1950	86	146	948	325	97	251	1,853
1951	99	189	1,102	354	115	259	2,118
1952	100	109	1,222	386	128	368	2,313
1953	103	76	1,324	419	140	412	2,474
1954	118	64	1,421	453	135	430	2,621
1955	174	62	1,575	486	152	450	2,899
1956	182	79	1,787	538	175	485	3,246
1957	194	205	1,987	573	206	521	3,686
1958	214	240	2,116	610	224	663	4,067
1959	318	271	2,339	648	238	880	4,694
1960	343	278	2,525	681	264	994	5,085
1961	379	301	2,757	717	277	1,128	5,559
1962	641	431	3,184	803	294	1,134	6,487
1963	723	465	3,460	885	318	1,169	7,020
1964	870	507	3,848	956	338	1,252	7,771
1965	1,197	550	4,312	1,041	409	1,434	8,943
1966	1,529	556	4,891	1,118	439	1,662	10,195
1967	1,921	578	5,520	1,312	478	1,992	11,801
1968	2,377	661	6,257	1,416	546	2,452	13,709
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)						
1968 I	2,152	608	6,096	1,376	528	2,324	13,084
II	2,284	628	6,192	1,448	532	2,564	13,648
III	2,444	664	6,272	1,356	564	2,376	13,676
IV	2,628	744	6,468	1,484	560	2,544	14,428
1969 I	2,612	760	6,936	1,556	560	2,728	15,152
II	2,832	720	6,972	1,640	568	2,780	15,512
III	2,928	612	6,972	1,568	592	2,684	15,356
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 54

INTERNATIONAL PAYMENTS: CURRENT ACCOUNT

1947 to 1969

Years and Quarters	Current Receipts: Merchandise Exports (Adjusted)	Gold Production Available for Export	Travel Expenditures	Interest and Dividends	Freight and Shipping	Inheritances and Immigrants' Funds	Other Current Receipts	Total Current Receipts
	(Millions of dollars)							
1947	2,723	99	251	64	322	69	220	3,748
1948	3,030	119	279	70	336	84	229	4,147
1949	2,989	139	285	83	303	68	222	4,089
1950	3,139	163	275	94	284	57	218	4,230
1951	3,950	150	274	115	351	77	230	5,147
1952	4,339	150	275	152	383	85	289	5,673
1953	4,152	144	302	164	318	91	322	5,493
1954	3,934	155	305	147	313	89	305	5,248
1955	4,332	155	328	161	398	86	399	5,859
1956	4,837	147	337	142	457	99	456	6,475
1957	4,894	144	363	153	445	124	406	6,529
1958	4,890	157	349	167	401	97	391	6,452
1959	5,151	148	391	180	420	109	414	6,813
1960	5,392	162	420	171	442	102	447	7,136
1961	5,889	162	482	213	486	104	452	7,788
1962	6,387	155	562	202	509	124	484	8,423
1963	7,082	154	609	230	563	151	500	9,289
1964	8,238	145	662	332	644	169	557	10,747
1965	8,745	138	747	322	668	216	645	11,481
1966	10,326	127	840	318	758	268	759	13,396
1967	11,338	112	1,318	295	830	329	863	15,085
1968	13,538	120	992	331	894	370	875	17,120
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)							
1968 I	13,072	124	964	284	880	308	844	16,476
II	13,444	112	1,028	340	892	360	876	17,052
III	13,336	128	1,008	376	888	436	884	17,056
IV	14,300	116	968	324	916	376	896	17,896
1969 I	14,992	116	1,100	388	920	348	992	18,856
II	14,444	116	1,112	496	920	360	1,024	18,472
III	15,104	116	1,064	380	924	348	1,052	18,988
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

REFERENCE TABLE 54 (Continued)

INTERNATIONAL PAYMENTS: CURRENT ACCOUNT

1947 to 1969

Years and Quarters	Current Payments: Merchandise Imports (Adjusted)	Travel Expenditures	Interest and Dividends	Freight and Shipping	Inheritances and Emigrants' Funds	Official Contributions	Other Current Payments[1]	Total Current Payments
	(Millions of dollars)							
1947	2,535	167	337	278	49	38	295	3,699
1948	2,598	134	325	279	50	23	287	3,696
1949	2,696	193	390	253	59	6	315	3,912
1950	3,132	226	475	301	61	5	349	4,549
1951	4,101	280	452	354	70	9	393	5,659
1952	3,854	341	413	375	94	16	393	5,486
1953	4,212	365	406	374	96	25	463	5,941
1954	3,916	389	424	356	99	11	477	5,672
1955	4,543	449	473	415	116	24	526	6,546
1956	5,565	498	524	502	131	30	597	7,847
1957	5,488	525	594	515	157	40	661	7,980
1958	5,066	542	614	460	159	53	695	7,589
1959	5,572	598	671	525	165	72	697	8,300
1960	5,540	627	656	533	184	61	768	8,369
1961	5,716	642	764	568	176	56	794	8,716
1962	6,203	605	783	595	175	36	856	9,253
1963	6,579	585	860	648	185	65	888	9,810
1964	7,537	712	1,010	679	201	69	963	11,171
1965	8,627	796	1,086	761	211	93	1,037	12,611
1966	10,102	900	1,140	823	198	166	1,229	14,558
1967	10,772	895	1,211	861	213	182	1,450	15,584
1968	12,162	1,015	1,290	937	209	133	1,485	17,231
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)							
1968 I	11,868	960	1,284	912	224	n.a.	1,540	16,788
II	11,632	956	1,348	928	232	n.a.	1,588	16,684
III	12,028	1,112	1,344	928	192	n.a.	1,672	17,276
IV	13,120	1,032	1,184	980	188	n.a.	1,672	18,176
1969 I	13,936	1,160	1,352	976	212	n.a.	1,640	19,276
II	13,820	1,284	1,384	992	216	n.a.	1,704	19,400
III	13,856	1,368	1,364	984	180	n.a.	1,808	19,560
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

[1]Includes official contributions from 1968 to 1969 quarterly.

SOURCE: DBS *Quaterly Estimates of the Canadian Balance of International Payments*, Quarterly, Cat. 67-001, Occasional, Cat. 67-505.

REFERENCE TABLE 55

NET BALANCES ON SELECTED NON-MERCHANDISE ACCOUNTS

1947 to 1969

Years and Quarters	Travel Expenditures			Inheritances and Migrants' Funds			Freight and Shipping	Interest and Dividends
	United States	Rest of World	All Countries	United States	Rest of World	All Countries	All Countries	All Countries
	(Millions of dollars)							
1947	89	− 5	84	−19	39	20	44	−273
1948	154	− 9	145	−19	53	34	57	−255
1949	102	−10	92	−26	35	9	50	−307
1950	67	−18	49	−16	12	− 4	−17	−381
1951	12	−18	− 6	−23	30	7	− 3	−337
1952	−37	−29	−66	−39	30	− 9	8	−261
1953	−25	−38	−63	−37	32	− 5	−56	−243
1954	−37	−47	−84	−36	26	−10	−43	−277
1955	−60	−61	−121	−45	15	−30	−17	−312
1956	−82	−79	−161	−63	31	−32	−45	−382
1957	−78	−84	−162	−77	44	−33	−70	−441
1958	−104	−89	−193	−57	− 5	−62	−59	−447
1959	−97	−110	−207	−71	15	−56	−105	−491
1960	−87	−120	−207	−92	10	−82	−91	−485
1961	−24	−136	−160	−85	13	−72	−82	−551
1962	93	−136	−43	−78	27	−51	−86	−581
1963	161	−137	24	−87	53	−34	−85	−630
1964	109	−159	−50	−80	48	−32	−35	−678
1965	112	−161	−49	−69	74	5	−93	−164
1966	102	−162	−60	−39	109	70	−65	−822
1967	549	−122	427	n.a.	n.a.	124	−39	−896
1968	n.a.	n.a.	−23	n.a.	n.a.	161	−43	−959
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Seasonally adjusted at annual rates)							
1968 I	n.a.	n.a.	4	n.a.	n.a.	84	−32	−1,000
II	n.a.	n.a.	72	n.a.	n.a.	128	−36	−1,008
III	n.a.	n.a.	−104	n.a.	n.a.	244	−40	−968
IV	n.a.	n.a.	−64	n.a.	n.a.	188	−64	−860
1969 I	n.a.	n.a.	−60	n.a.	n.a.	136	−56	−964
II	n.a.	n.a.	−172	n.a.	n.a.	144	−72	−888
III	n.a.	n.a.	−304	n.a.	n.a.	168	−60	−984
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 56

SUMMARY OF BALANCE OF PAYMENTS

1947 to 1969

Years and Quarters	Merchandise Trade Balance	Deficit on Non-Merchandise Transactions[1]	Current Account Balance[1]	Gold Production Available for Export	Capital Movements Inflows and Outflows (—):		Total	of which:		
					Long-term Forms	Short-term Forms		Increase or Decrease (—) in Official Holdings of Gold and Foreign Exchange	Net International Monetary Fund Position	Reciprocal Swap Falicity With Federal Reserve System
	(Millions of dollars)									
1947	188	—238	— 50	99	—721	4	—668	—742	74	—
1948	432	—100	332	119	43	— 2	492	492	—	—
1949	293	—255	38	139	— 29	— 20	128	128	—	—
1950	7	—489	—482	163	610	431	722	722	—	—
1951	—151	—511	—662	150	666	— 98	56	56	—	—
1952	485	—448	37	150	455	—605	37	37	—	—
1953	— 60	—532	—592	144	649	—239	— 38	— 38	—	—
1954	18	—597	—579	155	599	— 51	124	124	—	—
1955	—211	—631	—842	155	414	229	— 44	— 44	—	—
1956	—728	—791	—1,519	147	1,490	— 70	48	38	15	—
1957	—594	—1,001	—1,595	144	1,320	26	—105	—105	—	—
1958	—176	—1,118	—1,294	157	1,153	93	109	109	—	—
1959	—421	—1,214	—1,635	148	1,179	297	— 11	— 70	59	—
1960	—148	—1,247	—1,395	162	929	265	— 39	— 39	—	—
1961	173	—1,263	—1,090	162	930	288	290	229	61	—
1962	184	—1,169	—985	155	688	297	155	537	—378	— 4[2]
1963	503	—1,178	—675	154	637	30	146	60	86	—
1964	701	—1,270	—569	145	820	—33	363	86	277	—
1965	118	—1,386	—1,268	138	864	423	157	— 11	168	—
1966	224	—1,513	—1,289	127	1,061	—258	—359	—462	103	—
1967	566	589	—611	112	1,347	—830	18	34	— 16	—
1968	1,376	—1,607	—231	120	1,590	—1,126	353	604	—249	— 2[2]
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)									
1968 I	263	—524	—261	33	132	—669	—765	— 23	—471	—271
II	372	—418	— 46	27	742	—103	620	355	130	135
III	483	—182	301	32	360	—532	161	— 43	70	134
IV	258	—483	—225	28	356	178	337	315	22	—
1969 I	243	—539	—296	31	549	—321	—37	— 53	16	—
II	97	—450	—353	28	481	—215	—59	—168	109	—
III	366	—255	111	29	605	—749	— 4	— 91	87	—
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

[1]Excluding gold production available for export.

[2]Represent differences in Canadian dollar equivalents as between receipt and repayment of special international assistance denominated in US dollars, including, in 1962, a swap with the UK authorities.

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 57

INTERNATIONAL PAYMENTS: CAPITAL MOVEMENTS

1947 to 1969

Years and Quarters	Direct Investment in Canada	Direct Investment Abroad	Canadian Securities:				Foreign Securities (Total)	Loans and Capital Subscriptions by Government of Canada		Columbia River Treaty Net	Long-Term Capital Transactions not included elsewhere[1]
			Trade in Outstanding Bonds and Debentures	Trade in Outstanding Common and Preference Stocks	New Issues	Retirements		Advances, etc.	Repayments to Canada		
	(Millions of dollars)										
1947.....	61	6	—	−13	95	−364	5	−598	111	—	−24
1948.....	71	15	—	3	150	−114	− 8	−142	80	—	−12
1949.....	94	13	—	8	105	−147	20	−126	18	—	−14
1950.....	225	35	—	329	210	−284	76	−50	74	—	− 5
1951.....	320	−30	—	38	411	−184	15	—	68	—	28
1952.....	360	−85	−168	73	323	−89	−11	—	56	—	− 4
1953.....	450	−70	−52	21	335	−146	− 1	—	87	—	25
1954.....	425	−90	−66	129	333	−205	−24	—	72	—	25
1955.....	445	−85	−165	137	166	−185	− 5	—	69	—	37
1956.....	650	−105	11	187	667	−141	− 3	− 4	69	—	159
1957.....	545	−80	−45	142	800	−134	1	− 1	50	—	42
1958.....	430	−40	—	88	688	−158	1	−34	64	—	1,114
1959.....	570	−85	92	110	709	−258	−34	− 1	34	—	42
1960.....	670	−50	3	51	448	−266	−19	−11	32	—	71
1961.....	560	−80	61	39	548	−301	−35	− 8	38	—	108
1962.....	505	−105	64	−115	729	−319	−65	−22	129	—	−113
1963.....	280	−135	39	−170	984	−404	22	−18	25	—	14
1964.....	270	−95	77	−98	1,100	−382	−52	−10	10	54	−54
1965.....	535	−125	55	−274	1,240	−390	−85	−14	10	32	−120
1966.....	710	− 5	−104	−136	1,465	−499	−401	−35	24	32	10
1967.....	691	−125	−57	12	1,307	−357	−432	−38	34	44	268
1968.....	610	−135	−69	112	1,933	−395	−468	−78	5	88	−13
1969.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)										
1968 I.....	20	−66	−52	15	407	−124	−89	−10	2	—	29
II....	229	17	−11	34	708	−120	−129	− 8	2	—	20
III...	178	− 9	−13	10	452	−37	−132	−16	1	—	−74
IV...	183	−77	7	53	366	−114	−118	−44	—	88	12
1969 I.....	130	−55	17	37	643	−69	−58	−11	—	—	−85
II....	245	−110	− 6	44	506	−126	− 8	−43	2	—	−23
III...	95	−30	−11	−4	563	−49	−64	−15	—	—	− 8
IV...	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

REFERENCE TABLE 57 (Continued)

INTERNATIONAL PAYMENTS: CAPITAL MOVEMENTS

1947 to 1968

Years and Quarters	Change in Certain Canadian Assets of Foreigners:						Bank Balances and Other Short-term Funds Abroad	All Other Transactions	Net Capital Movements Excluding Monetary Items shown in the following columns	Official Monetary Movements in the Form of:		
	Canadian Dollar Deposits	Government of Canada Demand Liabilities	Canadian Treasury Bills	Short-term Funds: Canadian Commercial Paper	Short-term Funds: Canadian Finance Paper	Canadian Finance Company Obligations not included elsewhere				Change in the Official Holdings of Gold and Foreign Exchange	Change in Net International Monetary Fund Position	Other Special International Financial Assistance
	(Millions of dollars)											
1947	−26	33	—	—[2]	—[2]	—[2]	−8	5	−717	−742	74	—
1948	−21	—	—	—	—	—	−2	21	41	492	—	—
1949	33	—	8	—	—	—	−2	− 59	−49	128	—	—
1950	235	− 4	− 3	—	—	—	11	192	1,041	722	—	—
1951	−190	− 8	2	—	—	—	− 14	112	568	56	—	—
1952	−66	− 5	1	—[3]	—[3]	35	−165	−405	−150	37	—	—
1953	−22	−11	− 2	—	—	−2	− 80	−122	410	− 38	—	—
1954	27	−15	8	—	—	10	− 75	− 6	548	124	—	—
1955	60	− 9	29	—	—	23	91	35	643	− 44	—	—
1956	−30	—	3	—	—	64	−216	109	1,420	33	15	—
1957	−15	—	−18	—	—	4	−274	329	1,346	−105	—	—
1958	39	45	21	—	—	24	− 58	22	1,246	109	—	—
1959	10	−8	14		—	68	−119	332	1,476	− 70	59	—
1960	79	−12	56	—	—	59	− 60	143	1,194	− 39	—	—
1961	33	− 2	−58	—	—	95	140	80	1,218	229	61	—
1962	−10	− 4	4	—	—	119	93	95	985	537	−378	−4[4]
1963	43	1	−27	−23	93	35	−258	166	667	60	86	—
1964	28	—	−16	−11	196	52	−528	246	787	86	277	—
1965	31	2	12	10	−162	209	138	183	1,287	− 11	168	—
1966	10	5	−15	—	− 4	154	−601	193	803	−462	103	—
1967	24	− 4	4	11	− 54	34	−286	−559	517	34	− 16	—
1968	70	21	48	3	−131	19	−405	−751	464	604	−249	−2[4]
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)											
1968 I	8	− 4	23	6	−60	− 6	−125	−548	−537	− 23	−471	−271
II	4	− 3	1	−18	−35	− 7	27	− 53	639	355	130	135
III	4	1	11	2	−36	− 2	−149	−345	−172	− 43	70	134
IV	54	27	13	−13	—	34	−158	195	534	315	22	—
1969 I	−11	− 2	13	− 3	159	23	−155	−345	228	−53	16	—
II	25	−30	− 5	− 3	71	28	−584	233	266	−163	109	—
III	− 4	1	− 3	−15	−71	3	−233	−427	−144	−91	87	—
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	—

(1)From 1947 to 1961, includes export credits extended from Canada directly or indirectly at risk of the Government of Canada.

(2)Included in "all other transactions" from 1947 to 1951.

(3)Included in "Canadian finance company obligations n.i.e." from 1952 to 1962.

(4)Represent differences in Canadian dollar equivalents as between receipt and repayment of special international assistance, denominated in U.S. dollars, including, in 1962, a swap with the U.K. authorities.

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 58

NET PROCEEDS FROM NEW ISSUES OF CANADIAN BONDS AND DEBENTURES TO NON-RESIDENTS

1947 to 1969

Years and Quarters	Government of Canada (Including Guaranteed)			Provincial Governments (Including Guaranteed)			Municipal Governments		
	New Issues	Retirements	Net Proceeds	New Issues	Retirements	Net Proceeds	New Issues	Retirements	Net Proceeds
	(Millions of dollars)								
1947	n.a.	39	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1948	150	36	114	—	n.a.	n.a.	—	n.a.	n.a.
1949	99	96	3	—	n.a.	n.a.	6	n.a.	n.a.
1950	62	159	−97	96	n.a.	n.a.	20	n.a.	n.a.
1951	7	94	−87	262	43	219	72	12	60
1952	1	18	−17	107	38	69	55	17	38
1953	6	84	−78	143	28	115	76	15	61
1954	8	69	−61	126	63	63	46	28	18
1955	5	100	−95	3	19	−16	44	18	26
1956	9	83	−74	224	15	209	112	18	94
1957	16	29	−13	136	25	111	123	24	99
1958	76	25	51	168	45	123	148	30	118
1959	56	101	−45	334	41	293	157	33	124
1960	30	58	−28	103	57	46	135	38	97
1961	37	48	−11	66	24	42	47	38	9
1962	156	86	70	148	22	126	74	41	33
1963	173	76	97	343	70	273	62	77	−15
1964	43	88	−45	439	66	373	182	53	129
1965	28	85	−57	297	31	266	84	53	31
1966	32	203	−171	448	65	384	177	96	81
1967	20	95	−75	760	61	699	163	53	110
1968	290	58	232	861	75	786	124	60	64
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)								
1968 I	4	10	−6	240	22	218	45	15	30
II	255	30	225	173	19	154	28	11	17
III	4	—	4	251	8	243	20	11	9
IV	27	18	9	197	26	171	31	23	8
1969 I	16	—	16	332	27	305	43	15	28
II	9	49	−40	209	17	192	86	14	72
III	5	9	−4	331	13	318	44	10	34
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

REFERENCE TABLE 58 (Continued)

NET PROCEEDS FROM NEW ISSUES OF CANADIAN BONDS AND DEBENTURES TO NON-RESIDENTS

1947 to 1969

Years and Quarters	Total Governments			Corporations (Including Railroads)			Total		
	New Issues	Retirements	Net Proceeds	New Issues	Retirements	Net Proceeds	New Issues	Retirements	Net Proceeds
	(Millions of dollars)								
1947	n.a.	39	n.a.	n.a.	n.a.	n.a.	95	n.a.	n.a.
1948	150	36	114	—	n.a.	n.a.	150	n.a.	n.a.
1949	105	96	9	—	n.a.	n.a.	105	n.a.	n.a.
1950	178	159	19	28	n.a.	n.a.	206	n.a.	n.a.
1951	341	149	192	28	n.a.	n.a.	369	n.a.	n.a.
1952	163	73	90	136	15	121	299	88	211
1953	225	127	98	64	13	51	289	140	149
1954	180	160	20	133	35	98	313	195	118
1955	52	137	−85	51	41	10	103	178	−75
1956	345	116	229	252	20	232	597	136	461
1957	275	78	197	464	31	433	739	109	630
1958	392	100	292	253	42	211	645	142	503
1959	547	175	372	114	66	48	661	241	420
1960	268	153	115	154	104	50	422	257	165
1961	150	110	40	354	136	218	504	246	258
1962	378	149	229	331	140	191	709	289	420
1963	578	223	355	392	101	291	970	324	646
1964	664	207	457	414	117	297	1,078	324	754
1965	409	169	240	807	214	593	1,216	383	833
1966	657	364	293	751	131	620	1,408	495	913
1967	943	209	734	312	129	183	1,255	338	917
1968	1,275	193	1,082	597	201	396	1,872	394	1,478
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)								
1968 I	289	47	242	110	77	33	399	124	275
II	456	60	396	244	60	184	700	120	580
III	275	19	256	152	18	134	427	37	390
IV	255	67	188	91	46	45	46	113	233
1969 I	391	42	349	178	27	151	569	69	500
II	304	80	224	115	45	70	419	125	294
III	380	32	348	171	17	154	551	49	502
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

SOURCE: DBS *Sales and Purchases of Securities Between Canada and Other Countries*, Monthly, Cat. 67–002.

REFERENCE TABLE 59

CANADIAN CHARTERED BANKS' HEAD OFFICES AND BRANCHES IN CANADA—NET CHANGE IN FOREIGN CURRENCY POSITIONS[1]
1967 to 1969

(Not seasonally adjusted)

—	1967	1968	1969	1968				1969			
				I	II	III	IV	I	II	III	IV
	(Millions of dollars)										
With U.S. residents:											
Assets	268	152	815	−224	248	212	−84	247	3	276	289
Liabilities	77	−297	339	−98	38	−147	−91	170	79	−56	147
Net	191	449	476	−126	210	358	7	78	−76	332	142
Other non-residents:											
Assets	340	636	1,405	127	17	113	380	464	687	227	28
Liabilities	158	701	1,361	47	97	285	272	478	304	438	141
Net	183	−65	45	80	−81	−172	108	−14	383	−211	−113
Total non-residents:											
Assets	608	788	2,220	−97	264	325	296	711	690	503	317
Liabilities	234	404	1,700	−51	135	139	181	648	383	381	288
Net claims[c]	374	385	521	−46	129	186	115	63	307	122	29
With Canadian residents:											
Assets[b]	84	−48	215	−28	−19	−6	5	−61	217	10	49
Liabilities[a]1	306	98	1,252	−57	9	106	39	166	789	381	−83
Net	−223	−146	−1,037	28	−29	−112	−34	−226	−572	−371	132
Changes in banks' own position[a]2	152	239	−517	−17	100	74	81	−163	−265	−250	161

[1]Adjusted for variations in exchange rates.

Balance of payments effects:

[a]1+[a]2, with sign reversed, is major component of D.17. 1, "bank balances and other short-term funds-abroad" as follows:											
−[[a]1+[a]2]	−458	−337	−735	74	−109	−180	−120	−3	−524	−131	−78
D.17.1:	−286	−405	n.a.	−125	27	−149	−158	−155	−584	−233	n.a.

[b]is divided between D.17.5 and D.13 respectively short and long-term residual capital items.

[c]with sign reversed is net balance of payments effect of banks foreign-currency operations.

SOURCE: Department of Finance.

REFERENCE TABLE 60

FINANCING OF CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES

1947 to 1969

Years and Quarters	Transactions with U.S. (Excluding International Financial Agencies): Current Account Deficit (Excluding Gold)	Transactions with U.S. (Excluding International Financial Agencies): Capital Inflow from U.S.	Net Amount to be Financed by Other Transactions	Other Transactions: Current Account Surplus with Rest of World	Other Transactions: Net Capital Movement from or to Rest of World	Other Transactions: New Gold Production Available for Export	Increase(−) in Canadian Holdings of Gold and Foreign Exchange	Change in Canada's Position with the International Monetary Fund[1]	Reciprocal Swap Facility with Federal Reserve System	Total Financing
	(Millions of dollars)									
1947	−1,233	−163	−1,396	1,183	−554	99	742	− 74	—	1,396
1948	−512	111	−401	844	− 70	119	−492	—	—	401
1949	−740	64	−676	778	−113	139	−128	—	—	676
1950	− 548	946	−398	66	95	163	−722	—	—	398
1951	−1,095	556	−539	433	12	150	− 56	—	—	539
1952	− 980	−106	−1,086	1,017	− 44	150	− 37	—	—	1,086
1953	−1,051	199	−852	459	211	144	38	—	—	852
1954	− 955	379	−576	376	169	155	−124	—	—	576
1955	−1,184	366	−818	342	277	155	44	—	—	818
1956	−1,797	891	−906	278	529	147	− 33	− 15	—	906
1957	−1,723	942	−781	128	404	144	105	—	—	781
1958	−1,324	1,045	−279	30	201	157	−109	—	—	279
1959	−1,369	1,312	− 57	−266	164	148	70	− 59	—	57
1960	−1,521	974	−547	126	220	162	39	—	—	547
1961	−1,503	1,311	−192	413	− 93	162	−229	− 61	—	192
1962	−1,247	1,073	−174	262	− 88	155	−537	378	4[2]	174
1963	−1,302	829	−473	627	−162	154	− 60	− 86	—	473
1964	−1,780	1,639	−141	1,211	−852	145	− 86	−277	—	141
1965	−2,075	437	−1,638	807	850	138	11	−168	—	1,638
1966	−2,157	1,059	−1,098	868	−256	127	462	−103	—	1,098
1967	−1,454	300	−1,154	843	217	112	− 34	16	—	1,154
1968	−958	−159	−1,117	727	623	120	−604	249	2[2]	1,117
1969	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	(Not seasonally adjusted)									
1968 I	−454	−381	−835	193	−156	33	23	471	271	835
II	−316	167	−149	270	472	27	−355	−130	−135	149
III	124	−472	−348	177	300	32	43	− 70	−134	348
IV	−312	527	215	87	7	28	−315	− 22	—	−215
1969 I	−420	197	−223	124	31	31	53	− 16	—	223
II	−344	624	280	− 9	−376	28	168	−109	—	−280
III	216	−516	−300	−105	372	29	91	− 87	—	300
IV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

[1]Improvement (−) in Canadian position represents net provision of resources by Canada to the IMF.

[2]Represent differences in Canadian dollar equivalents as between receipt and repayment of special international assistance, denominated in US dollars, including, in 1962, a swap with the UK authorities.

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 61

CANADA'S RESERVE POSITION WITH THE INTERNATIONAL MONETARY FUND[1][2]

1946 to 1969

Years and Quarters	Increase in Gold Subscriptions	Drawings by Canada (−)	Repurchases (Repayments of Drawings) by Canada	Net Fund Sales or Repurchases (−) of Canadian Dollars to or from Third Countries	Fund Sales of Gold for Canadian Dollars	Reserve Position at end of Period[3]
	(Millions of U.S. dollars)					
1946	1.0	—	—	—	—	1.0
1947	74.0	—	—	—	—	75.0
1956	—	—	—	15.0	—	90.0
1958	—	—	—	−0.1	—	90.0
1959	62.5	—	—	—	—	152.5
1961	—	—	—	84.6	25.0	212.1
1962	—	−300.0	—	−50.3	—	−138.2
1963	—	—	79.7	—	—	−58.5
1964	—	—	166.0	99.0	−9.0	197.5
1965	—	—	—	183.4	−27.5	353.4
1966	47.5	—	—	47.6	—	448.5
1967	—	—	—	−15.1	—	433.4
1968	—	−426.0[4]	64.8	131.2	—	206.2[5]
1969	—	—	—	280.3[6]	−8.6	478.1[5]
1968 I	—	−426.0[4]	—	−7.3	—	0.1
II	—	—	—	121.0	—	121.1
III	—	—	64.8	—	—	185.9
IV	—	—	—	17.5	—	206.2[5]
1969 I	—	—	—	15.0	—	221.2
II	—	—	—	103.5	−2.5	322.2
III	—	—	—	86.2	−6.1	402.3
IV	—	—	—	75.6[6]	—	478.1[5]

NOTE: Fund borrowing under the General Arrangements to Borrow (GAB) does not affect the reserve position.

[1]Only those years in which transactions take place are shown.

[2]Columns may not cross-add due to rounding.

[3]A negative figure indicates the amount by which the credit tranche position falls short of the quota.

[4]Includes the Fund's repayment of its 1965 borrowing from Canada ($35 million).

[5]Includes Canada's share in IMF dividends paid to members in their own currencies, amounting to $2.8 million in October 1968, and $.2 million in October 1969.

[6]Includes a transfer to Canada of $30 million in GAB notes formerly issued to the Federal Republic of Germany in connection with the German drawing of November 1969.

SOURCE: IMF *International Financial Statistics*, Monthly.

REFERENCE TABLE 62

CANADA'S OFFICIAL INTERNATIONAL RESERVES[1]

1961 to 1970

Years and Months	Foreign Currencies[2]		Gold	Special Drawing Rights	Reserve Position in IMF	Total
	U.S. Dollars	Other[3]				
	(Millions of U.S. dollars)					
1961	1,123.0	10.7	946.2	—	212.1	2,292.0
1962	1,842.8	9.2	708.5	—	—	2,560.5
1963	1,786.6	9.5	817.2	—	—	2,613.3
1964	1,654.5	11.8	1,025.7	—	197.5	2,889.5
1965	1,519.9	12.8	1,150.8	—	353.4	3,036.9
1966	1,195.4	12.4	1,045.6	—	448.5	2,701.9
1967	1,255.2	13.4	1,014.9	—	433.4	2,716.9
1968	1,964.9	11.6	863.1	—	206.2	3,045.8
1969	1,743.6	12.3	872.3	—	478.1	3,106.3
1969 January	2,002.6	12.0	863.1	—	212.2	3,089.9
February	1,958.2	11.2	863.1	—	212.2	3,044.7
March	1,917.4	9.0	863.1	—	221.2	3,010.7
April	1,920.4	16.1	863.1	—	231.2	3,030.8
May	1,898.2	14.4	863.1	—	236.2	3,011.9
June	1,758.1	14.8	865.8	—	322.2	2,960.9
July	1,700.1	12.8	865.8	—	355.7	2,934.4
August	1,729.3	10.8	865.8	—	360.7	2,966.6
September	1,667.5	14.3	872.0	—	402.3	2,956.1
October	1,758.2	13.3	872.0	—	406.5	3,050.0
November	1,742.0	16.5	872.2	—	444.5	3,075.2
December	1,743.6	12.3	872.3	—	478.1	3,106.3
1970 January	1,827.8	11.6	869.9	129.3	472.6	3,311.2

[1]At end of period.

[2]Convertible foreign currency holdings of the Exchange Fund Account, the Receiver General for Canada and the Bank of Canada.

[3]Valued at official parity rates in terms of U.S. dollars.

SOURCE: Department of Finance.

REFERENCE TABLE 63

DETAILS OF NEW ISSUES AND RETIREMENTS OF GOVERNMENT OF CANADA DIRECT AND GUARANTEED MARKETABLE BONDS FROM JANUARY 1, 1969 to FEBRUARY 15, 1970

(Millions of dollars par value)

Date	Retirements	Amount	Sub-total	New Bonds	Amount Delivered	Sub-total	Net Change in Amount Outstanding	Term of New Bonds	Yield to Maturity
January 15				6⅞% June 1, 1988	16[1]	16	+ 16	20 years	6.90
March 14	5% July 1, 1969	100[2]	100				−100		
April 1	5½% April 1, 1969	410		7% May 1, 1970	125			1 yr. 1 mo.	7.09
				7¼% April 1, 1972	235[3]			3 yrs.	7.29
			410	7¼% April 1, 1974	125[3][4]	485	+ 75	5 yrs.	7.25
April 15	5% Oct. 15, 1987[5]	1	1				− 1		
July 1	5% July 1, 1969	225		7¾% July 1, 1970	130			1 yr.	7.75
	6¾% July 1, 1969	75	300	8% July 1, 1978	125	255	− 45	9 yrs.	8.00
							− 75		
July 25	5½% Oct. 1, 1969	75[2]	75						
August 15				7¾% Oct. 1, 1970	40			1 yr. 1½ mo.	7.88
				8% Feb. 1, 1973	110	150[6]	+150	3 yrs. 5½ mo.	8.00
September 15	CNR 2⅞% Sept. 15/69	70							
	5½% Oct. 1, 1969	50[2]	120				−120		
October 1	5½% Oct. 1, 1969	175		8% Oct. 1, 1970	30			1 yr.	8.00
	5¼% Oct. 1, 1969	175		8% Oct. 1, 1971	45			2 yrs.	8.00
			350	8% Oct. 1, 1974	225[7]	300	− 50	5 yrs.	8.00
							− 1		
October 15	5% Oct. 15, 1987[5]	1	1						
December 15	5¼% Dec. 15, 1969	175		8% Dec. 15, 1970	75			1 yr.	8.11
	6¾% Dec. 15, 1969	35	210	8% Dec. 15, 1971	125	200[8]	− 10	1 yr. 9½ mos.	8.14
December 31	5½% Dec. 15, 1971	4							
	5% May 15, 1977	2							
	5¾% Jan. 1, 1985	2							
	5% Oct. 1, 1987	3	11[9]				−11		
TOTAL (Calendar 1969)			1,578			1,406	−172		
February 15	6% Feb. 15, 1970	285		8% June 1, 1971	75			1 yr. 3½ mos.	8.11
			285	8% Oct. 1, 1974	200[10]	275	− 10	4 yrs. 7½ mos.	8.13
TOTAL (Fiscal 1969–70)			1,763			1,665	− 98		

(1) U.S. pay issue in principal amount U.S. $100 million, subject to delayed delivery contracts.

(2) Cancellation of securities held in the Securities Investment Account.

(3) Includes $50 million 7¼% bonds due 1972 and $25 million 7¼% bonds due 1974 exchanged directly with Bank of Canada for $75 million 5¾% bonds maturing October 1, 1969 and cancelled on July 25, 1969.

(4) Exchangeable into an equal par value of 10 year 7½% bonds to be dated April 1, 1974 and due April 1, 1984, yielding 7.50% for the 10 years commencing April 1, 1974 and about 7.39% for the full 15 year period commencing April 1, 1969.

(5) U.S. pay issue subject to partial redemption for sinking fund on prorated basis.

(6) Includes $50 million of bonds exchanged directly with Bank of Canada for $50 million 5½% bonds maturing October 1, 1969 and cancelled on September 15, 1969.

(7) Exchangeable into an equal par value of 8% bonds due October 1, 1986 to yield 8.00% for 17 years.

(8) Includes $25 million 8% bonds due 1970 and $25 million 8% bonds due 1971 exchanged directly with Bank of Canada for $50 million 3¼% bonds maturing May 1, 1970 which were placed in the Securities Investment Account.

(9) Cancellation of securities held by CN purchase funds.

(10) Exchangeable into an equal par value of 8% bonds due October 1, 1986 to yield about 8.05% for 16 years 7½ months.

SOURCE: Department of Finance.

REFERENCE TABLE 64

CHANGES IN MARKET BONDS AND CANADA SAVINGS BONDS OUTSTANDING

1964 to 1969

	1964	1965	1966	1967	1968	1969
	(Millions of dollars)					
New Issues in Canadian dollars:						
Government of Canada—market[1]	−45	−380	82	800	1,177	−109
Canada Savings Bonds	480	253	223	230	40	329
Sub-total	435	−127	305	1,030	1,217	220
Provinces and municipalities[2]	868	742	1,031	1,013	612	241
Corporations	617	981	536	832	486	403
Total	1,920	1,601	1,872	2,875	2,315	864
Foreign-Pay Bond Issues:						
Government of Canada	—	−5	−5	−205	266	14
Provinces and municipalities	471	267	424	800	901	1,057
Corporations	211	394	542	161	372	443
Total	682	656	961	756	1,539	1,514
TOTAL BOND ISSUES	2,602	2,257	2,833	3,631	3,854	2,378
Taken up by:						
Bank of Canada	29	352	3	329	137	173
Chartered Banks	−191	54	113	873	1,092	−456
Non-bank holders:						
Market bonds	1,602	942	1,533	1,443	1,046	818
Canada Savings Bonds	480	253	223	230	40	329
Holders of Canadian foreign-pay	682	656	961	756	1,539	1,514
TOTAL	2,602	2,257	2,833	3,631	3,854	2,378

[1]Includes Treasury bills and excludes non-marketable bonds.

[2]Excludes securities bought by the Canada Pension Plan.

SOURCES: Bank of Canada and Department of Finance.

REFERENCE TABLE 65

MORTGAGE LOAN APPROVALS[1]

1962 to 1969

—	Private Lending Institutions								CMHC[4]	Total Private and Public
	Conventional Mortgages			NHA	Total Private Lending	of which:				
	Non-Residential	Residential				Banks	Life Cos.	Trust Cos., etc. [3]		
		Existing[2]	New							
	(Millions of dollars)									
1962-1964 Average	397	476	638	383	1,894	3	900	991	313	2,207
1965	581	749	902	320	2,552	6	1,158	1,388	513	3,065
1966	382	471	574	191	1,618	—	804	814	593	2,211
1967	369	655	745	356	2,124	253	800	1,071	737	2,861
1968	335	572	963	832	2,702	446	845	1,410	503	3,205
1968 I	98	128	243	188	657	88	261	307	84	741
II	74	143	235	205	657	82	237	338	94	751
III	83	138	208	257	686	95	179	412	75	761
IV	80	163	277	182	702	181	168	353	250	952
1969 I	90	153	266	152	661	93	141	427	83	744
II	129	227	362	231	949	150	224	575	119	1,068
III	113	158	199	167	637	79	152	406	154	791

[1] Data are on a gross basis, i.e., they do not necessarily take account of cancellations or alterations of loans after initial approval.

[2] Includes data on farm property.

[3] Includes loan and trust companies, Quebec saving banks, fraternal and mutual benefit societies.

[4] Includes student housing.

SOURCE: Central Mortgage and Housing Corporation.

REFERENCE TABLE 66

SUMMARY OF SOURCES OF NET NEW FINANCING IN CANADA

1965 to 1969

—	1965	1966	1967	1968	1969e
	(Millions of dollars)				
Government of Canada					
Market securities[1]	−380	82	800	1,177	−109
Canada Savings Bonds	253	223	230	40	329
Sub-total	−127	305	1,030	1,217	220
Provinces[2] and Municipalities					
Bonds	742	1,493	1,682	1,316	1,046
Bank loans	198	137	80	28	74
Sub-total	940	1,630	1,762	1,344	1,120
Corporations and others[3]					
Bonds	986	536	832	517	403
Stocks	465	588	502	555	777
Commercial and Industrial credit and Bankers' Acceptances	214	22	−53	−3	100
Short-term commercial paper	−116	40	91	136	234
Bank loans	1,210	548	1,161	1,029	1,100
Sub-total	2,759	1,734	2,533	2,234	2,614
Individuals					
Mortgages	1,574	1,057	1,006	1,265	1,500
Consumer credit	887	613	816	1,212	1,400
Sub-total	2,461	1,670	1,822	2,477	2,900
TOTAL	6,033	5,339	7,147	7,272	6,854

[1]Includes Treasury bills and excludes non-marketable bonds.

[2]Includes securities purchased by Canada Pension Plan.

[3]Others include unincorporated business, farmers, non-financial, religious and non-profit institutions.

e= estimated.

SOURCE: Bank of Canada and Department of Finance.

REFERENCE TABLE 67

FINANCIAL FLOWS: CHARTERED BANKS

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic savings	76	117	208	47	51	53	47	62	58	66	151	186
Non-financial capital formation	42	41	46	12	11	12	11	15	15	15	35	45
Net lending (+) or borrowing (−)	34	76	162	35	40	41	36	47	43	51	116	141
Net financial investments	46	75	153	−11	—	−9	173	−4	−6	−12	−20	−22
Net increase in financial assets	1,237	2,686	3,501	489	789	1,090	1,133	563	264	−236	2,368	591
Currency and bank deposits	138	−13	168	−246	12	254	148	−160	103	26	20	−31
Consumer credit	217	518	689	77	188	166	258	202	303	−57	431	448
Loans	663	1,262	1,076	451	214	−167	578	493	389	32	498	914
Provinces	42	104	−61	−98	70	−85	52	−62	−16	−4	−113	−82
Municipalities	95	−24	89	256	−96	−105	34	237	−104	−90	55	43
Grain dealers	19	267	294	90	210	−54	48	78	53	128	246	259
Sales finance companies	−106	−3	−4	−20	−59	−35	110	−72	7	−7	−114	−72
Other loans to persons	3	8	67	−89	−65	−38	259	−46	−65	−92	−192	−203
Farmers	90	116	8	−62	14	31	25	−43	100	19	−17	76
Business	398	748	649	444	−66	148	122	491	445	80	526	1,016
Stock brokers and investment dealers	78	44	180	34	104	46	−4	−154	3	−18	184	−169
Day-to-day loans	27	28	−113	−98	101	−65	−51	54	−34	21	−62	41
Other loans	17	−26	−33	−6	1	−10	−17	10	—	−5	−15	5
Government of Canada Treasury bills	191	177	399	141	224	210	−176	31	65	−56	575	40
Mortgages	−32	57	203	43	60	32	68	75	90	64	135	229
Government of Canada bonds	−40	567	537	−9	15	395	136	21	−325	−30	401	−334
Provincial bonds	−58	63	30	9	−18	51	−12	8	−35	−9	42	−36
Municipal bonds	−11	21	18	4	−2	17	−1	6	−4	−5	19	−3
Other Canadian bonds	31	45	107	−10	11	54	52	32	−35	9	55	6
Claims on associated enterprises	11	12	16	−1	5	2	10	2	3	31	6	36
Net foreign currency assets	121	−52	260	39	86	77	58	−142	−295	−233	202	−670
Other financial assets	6	29	−2	−9	−6	−1	14	−5	5	−8	−16	−8

REFERENCE TABLE 67 (Continued)

FINANCIAL FLOWS: CHARTERED BANKS

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic savings (Continued)												
Net increase in liabilities	1,191	2,611	3,348	500	789	1,099	960	567	270	−224	2,388	613
Currency and bank deposits	1,178	2,560	3,309	496	786	1,087	940	539	238	−246	2,369	531
Government of Canada[1]	93	−303	203	383	−766	53	533	−254	201	−193	−330	−246
Personal savings												
Chequable[1]			−1,011	−289	−367	−141	−214	−175	−157	−320	−797	−652
Non-chequable[1]	498	1,488	1,565	509	482	304	270	388	317	445	1,295	1,150
Fixed-term[1]			1,278	245	593	351	89	336	265	368	1,189	969
Non-personal term and notice[1]	177	1,172	743	−10	538	264	−49	509	−666	−324	792	−481
Demand[1]	436	354	480	−790	357	564	349	−638	348	38	131	−252
Float[1]	−17	21	−191	302	−202	−97	−194	365	−129	−39	3	197
Adjustment	−9	−172	242	146	151	−211	156	8	59	−221	86	−154
Loans	—	3	2	−3	—	—	5	−4	−1	—	−3	−5
Bonds	—	40	—	—	—	—	—	—	—	—	—	—
Stocks	—	3	12	—	—	12	—	7	35	2	12	44
Other liabilities	13	5	25	7	3	—	15	25	−2	20	10	43
Discrepancy[2]	12	1	9	46	40	50	−137	51	49	63	136	163

[1]The break down of currency and bank deposits is based on the average of Wednesdays in the last month of the quarter. The difference between these data and the month-end data used in the financial flows is shown in the item "adjustment".

[2]Part of the discrepancy is due to the fact that the banks' earnings are reflected both in the savings and investments accounts of the Chartered Bank sector. Double counting is inevitable because the "balance of revenue", as indicated by the banks, is not allocable to a specific item on a uniform basis during their fiscal year.

SOURCE: DBS *Financial Flow Accounts*, occasional, Cat. 13-530, Quarterly, 13-002.
Bank of Canada.

REFERENCE TABLE 68

FINANCIAL FLOWS: TRUST COMPANIES

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic saving	19	15	14	3	2	3	6	4	5	4	8	13
Non-financial capital formation	3	9	5	2	2	—	1	−1	1	3	4	3
Net lending (+) or borrowing (−)	16	6	9	1	—	3	5	5	4	1	4	10
Net financial investment	16	4	8	1	—	2	5	4	3	1	3	8
Net increase in financial assets	429	422	613	106	126	269	112	234	190	215	501	639
Currency and deposits	23	96	34	−101	19	46	70	99	−41	−74	−36	−16
Loans	16	−4	28	27	−38	40	−1	—	−17	5	29	−12
Short-term notes and bills	27	−46	79	56	28	56	−61	42	12	59	140	113
Mortgages	213	247	304	53	84	96	71	74	133	181	233	388
Government of Canada bonds	46	22	63	23	27	−39	52	17	51	11	11	79
Provincial bonds	34	57	−1	−20	−7	32	−6	3	3	−18	5	−12
Municipal bonds	1	−17	10	7	1	−1	3	−5	1	−5	7	−9
Other Canadian bonds	33	50	29	24	12	5	−12	−5	20	—	41	15
Claims on associated enterprises	11	1	27	—	4	19	4	22	3	23	23	48
Stocks	8	—	8	3	−3	4	4	1	2	6	4	9
Foreign investments	14	7	22	26	−1	7	−10	−19	18	15	32	14
Other financial assets	3	9	10	8	—	4	−2	5	5	12	12	22
Net increase in liabilities	413	418	605	105	126	267	107	230	187	214	498	631
Demand and savings deposits	−19	67	61	−1	−3	11	54	25	66	−17	7	74
Certified debentures and term deposits	420	314	467	78	115	229	45	199	122	203	422	524
Bank loans	−1	−2	−1	2	3	−2	−4	1	4	—	3	5
Other loans	−18	5	3	16	3	−5	−11	1	−3	—	14	−2
Claims on associated enterprises	—	3	27	−1	8	12	8	−7	9	5	19	7
Stocks	14	6	23	1	4	4	14	3	8	3	9	14
Other liabilities	17	25	25	10	−4	18	1	8	−19	20	24	9
Discrepancy	—	2	1	—	—	1	—	1	1	—	1	2

SOURCE: DBS *Financial Flow Accounts.*
DBS *Financial Institutions,* Quarterly, Cat. 61—006.

21774—32½

REFERENCE TABLE 69

FINANCIAL FLOWS: MORTGAGE LOAN COMPANIES

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic savings	5	12	8	−4	5	2	5	2	2	1	3	5
Non-financial capital formation	10	4	1	—	—	—	1	1	11	2	—	14
Net lending (+) or borrowing (−)	−5	8	7	−4	5	2	4	1	−9	−1	3	−9
Net financial investment	−5	6	7	−4	4	2	5	1	−10	−2	2	−11
Net increase in financial assets	93	197	217	18	41	96	62	58	119	80	155	257
Currency and deposits	−18	16	36	−3	8	7	24	−32	−10	−3	12	−45
Loans	2	1	4	3	−1	6	−4	3	—	−1	8	2
Short-term notes and bills	11	10	−7	6	−12	15	−16	12	−9	−8	9	−5
Mortgages	101	125	166	11	32	72	51	25	75	100	115	200
Government of Canada bonds	1	7	−2	−12	3	—	7	−5	3	1	−9	−1
Provincial bonds	5	3	−2	9	−3	−7	−1	1	−1	−1	−1	−1
Municipal bonds	—	1	−2	−1	−1	—	—	—	—	−1	−2	−1
Other Canadian bonds	−5	4	5	5	−2	1	1	−2	3	—	4	1
Claims on associated enterprises	−7	12	10	—	7	—	3	11	52	−6	7	57
Stocks	3	9	3	−1	3	2	−1	32	−1	−1	4	30
Foreign investments	—	1	—	1	1	−2	—	4	9	−2	—	11
Other financial assets	—	8	6	—	6	2	−2	9	−2	2	8	9
Net increase in liabilities	98	191	210	22	37	94	57	57	129	82	153	268
Demand and savings deposits	19	11	52	3	15	11	23	−2	−16	−12	29	−30
Certified debentures and term deposits	114	168	175	62	27	44	42	16	69	26	133	111
Bank loans	−3	−6	−12	−7	−3	18	−20	−10	15	11	8	16
Other loans	−9	−15	−5	−1	4	−5	−3	12	8	18	−2	38
Claims on associated enterprises	—	3	1	—	1	4	−4	10	−13	22	5	19
Stocks	−1	25	17	1	1	9	6	1	84	−4	11	81
Other liabilities	−22	5	−18	−36	−8	13	13	30	−18	21	−31	33
Discrepancy	—	2	—	—	1	—	−1	—	1	1	1	2

SOURCE: DBS *Financial Flow Accounts.*
DBS *Financial Institutions.*

REFERENCE TABLE 70

FINANCIAL FLOWS: MUTUAL FUNDS

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic saving	3	−3	−3	—	1	−4	—	−1	3	−4	−3	−2
Non-financial capital	—	—	—	—	—	—	—	—	—	—	—	—
Net lending (+) or borrowing (−)	3	−3	−3	—	1	−4	—	−1	3	−4	−3	−2
Net financial investment	3	−3	−3	−1	2	−4	—	−1	3	−4	−3	−2
Net increase in financial assets	313	150	377	48	134	56	139	114	72	49	238	235
Currency and deposits	14	−4	77	13	23	11	30	54	4	19	47	77
Foreign currency and deposits	−2	9	2	27	−25	5	−5	6	11	11	7	28
Trade receivables	−3	22	31	19	4	−21	29	8	−6	−22	2	−20
Short-term notes and bills	9	38	−13	−52	37	47	−45	33	−32	56	32	57
Mortgages	−1	−2	−4	−2	2	−3	−1	−1	1	1	−3	1
Government of Canada bonds	3	−38	2	6	−1	−2	−1	−1	−1	−3	3	−5
Provincial bonds	−8	−10	−14	−4	−1	−8	−1	1	−3	3	−13	1
Municipal bonds[1]	—	—	—	—	—	—	—	2	—	—	—	2
Other Canadian bonds	−5	−2	−7	−2	−1	−4	—	5	—	3	−7	8
Claims on associated enterprises[2]	—	—	—	—	—	—	—	2	−1	—	—	1
Stocks	77	−86	−81	−37	−11	−37	4	12	38	22	−85	72
Foreign investments	228	224	384	80	107	68	129	−5	60	−46	255	9
Other financial assets	1	−1	—	—	—	—	—	−2	1	5	—	4
Net increase in liabilities	310	153	380	49	132	60	139	115	69	53	241	237
Trade payables	8	18	58	−16	37	6	31	−37	2	9	27	−26
Bank loans	—	1	3	—	—	—	3	−3	2	−3	—	−4
Other loans	−1	—	1	−1	—	2	—	−2	2	−2	1	−2
Stocks	302	133	318	66	95	52	105	158	64	46	213	268
Other liabilities	1	1	—	—	—	—	—	−1	−1	3	—	1
Discrepancy	—	—	—	1	−1	—	—	—	—	—	—	—

[1]Included in provincial government bonds prior to 1969.
[2]Included in stocks prior to 1969.

SOURCE: DBS *Financial Flow Accounts.*

REFERENCE TABLE 71

FINANCIAL FLOWS: CLOSED-END FUNDS

1966 to 1969

	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic savings	−6	−17	1	—	—	3	−2	−11	1	−1	3	−11
Non-financial capital acquisition	—	—	—	—	—	—	—	—	—	—	—	—
Net lending (+) or borrowing (−)	−6	−17	1	—	—	3	−2	−11	1	−1	3	−11
Net financial investment	−6	−16	2	—	—	4	−2	−11	1	−1	4	−11
Net increase in financial assets	21	−11	35	−14	43	−2	8	−48	16	−9	27	−41
Currency and deposits	−4	1	30	−3	1	27	5	−11	−7	−5	25	−23
Foreign currency and deposits	4	−4	1	1	−1	−1	2	—	—	2	−1	2
Trade receivables	1	—	2	—	3	−3	2	—	−1	—	—	−1
Short-term notes and bills	2	−4	1	9	−1	−12	5	−8	8	−1	−4	−1
Mortgages	—	—	—	—	—	—	—	—	—	—	—	—
Government of Canada bonds	3	−2	−2	−1	—	−1	—	—	3	2	−2	5
Provincial bonds Municipal bonds	—	—	—	—	—	—	—	—	—	1	—	1
Other Canadian bonds	10	−10	6	−1	—	8	−1	−11	—	—	7	−11
Claims on associated enterprises[1]	—	—	—	—	—	—	—	—	14	−12	—	2
Stocks	5	—	−13	−21	36	−24	−4	−13	6	6	−9	−1
Foreign investments	1	7	8	1	5	3	−1	−2	−5	−2	9	−9
Other financial assets	−1	1	2	1	—	1	—	−3	−2	—	2	−5
Net increase in liabilities	27	5	33	−14	43	−6	10	−37	15	−8	23	−30
Trade payables	−1	2	9	−1	1	—	9	−6	−2	—	—	−8
Bank loans	3	−3	−12	−12	—	−1	1	—	14	−8	−13	6
Other loans	9	8	−15	−2	−1	−11	−1	—	1	−1	−14	—
Bonds	−1	−5	—	—	—	—	—	—	—	—	—	—
Stocks	17	4	51	1	43	6	1	−33	2	—	50	−31
Other liabilities	—	−1	−1	—	—	—	—	2	—	1	—	3
Discrepancy	—	−1	−1	—	—	−1	—	—	—	—	−1	—

[1]Included in stocks prior to 1969.

SOURCE: DBS *Financial Flow Accounts.*

REFERENCE TABLE 72

FINANCIAL FLOWS: LIFE INSURANCE COMPANIES

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic savings	15	11	12	2	4	4	2	2	4	3	10	9
Non-financial capital acquisitions	45	33	31	9	6	6	10	34	17	14	21	65
Net lending (+) or borrowing (−)	−30	−22	−19	−7	−2	−2	−8	−32	−13	−11	−11	−56
Net financial investment	−30	−22	−19	−7	−2	−2	−8	−32	−13	−11	−11	−56
Net increase in financial assets	637	700	709	209	163	192	145	143	143	125	564	411
Currency and deposits	2	7	5	−16	−22	20	23	−20	−3	−6	−18	−29
Consumer credit	36	28	62	16	22	14	10	12	25	35	52	72
Short-term notes and bills	1	−22	5	72	−24	−4	−39	68	−12	26	44	82
Mortgages	498	315	368	43	116	98	111	44	76	73	257	193
Government of Canada bonds	−83	−4	7	27	−5	−20	5	−3	−5	−3	2	−11
Provincial bonds	13	71	52	27	9	35	−19	2	7	−20	71	−11
Municipal bonds	−8	18	−16	−3	1	2	−16	−6	2	−3	—	−7
Other Canadian bonds	139	210	114	20	47	28	19	10	15	6	95	31
Stocks	39	77	112	23	19	19	51	36	38	17	61	91
Net increase in liabilities	667	722	728	216	165	194	153	175	156	136	575	467
Life insurance and pensions	667	722	728	216	165	194	153	175	156	136	575	467

SOURCE: DBS *Financial Flow Accounts*.

REFERENCE TABLE 73

FINANCIAL FLOWS: SALES FINANCE AND CONSUMER LOAN COMPANIES
1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic saving	−52	38	38	11	7	11	9	14	13	17	29	44
Non-financial capital acquisition	7	13	14	4	3	3	4	4	5	4	10	13
Net lending (+) or borrowing (−)	−59	25	24	7	4	8	5	10	8	13	19	31
Net financial investment	−59	26	24	8	6	3	7	10	8	13	17	31
Net increase in financial assets	158	166	439	19	252	−39	207	81	173	188	232	442
Currency and deposits	19	—	−29	−19	−7	18	−21	−4	2	−1	−8	−3
Foreign currency and deposits	33	−2	17	9	−1	2	7	−4	9	8	10	13
Consumer credit	173	61	229	−5	129	55	50	15	166	143	179	324
Other loans	−115	80	221	48	90	−124	207	57	−33	−32	14	−8
Short-term notes and bills	6	20	−16	−16	21	19	−40	46	1	−2	24	45
Mortgages	28	4	23	10	7	—	6	−42	22	27	17	7
Government of Canada bonds	11	−4	7	−2	5	−6	10	—	—	—	−3	—
Provincial bonds	−5	42	−3	−8	−2	−3	10	—	−18	−8	−13	−26
Other bonds	—	—	—	—	—	—	—	−7	−8	4	—	−11
Claims on associated enterprises	6	−35	−13	—	—	−2	−11	23	17	21	−2	61
Stocks	—	2	−2	—	—	—	−2	—	—	—	—	—
Foreign investments	3	−5	—	—	4	−1	−3	—	—	—	3	—
Other financial assets	−1	3	5	2	6	3	−6	−3	15	28	11	40
Net increase in liabilities	217	140	415	11	246	−42	200	71	165	175	215	411
Trade payables	7	2	3	−53	57	7	−8	−1	3	4	11	6
Bank loans	−106	−6	−26	−18	−40	−72	104	−119	82	−32	−130	−69
Other loans	−34	−38	−21	−14	−7	−1	1	8	27	−8	−22	27
Demand and short-term notes (Canadian)	152	−33	344	177	170	−8	5	117	−123	143	339	137
Demand and short-term notes (Foreign)	−59	24	−15	−25	−4	−16	30	21	38	−5	−45	54
Mortgages	−2	−1	—	—	—	—	—	1	—	—	—	1
Long-term bonds (Canadian)	24	109	60	−58	15	28	75	−79	48	−21	−15	−52
Long-term bonds (Foreign)	73	5	−27	−6	12	10	−43	78	5	−9	16	74
Claims on associated enterprises	105	11	26	2	4	−8	28	21	34	26	−2	81
Stocks	31	14	1	—	−1	—	2	2	10	−2	−1	10
Unearned income	21	66	67	4	32	12	19	9	44	46	48	99
Other liabilities	5	−13	3	2	8	6	−13	13	−3	33	16	43
Discrepancy	—	−1	—	−1	−2	5	−2	—	—	—	2	—

SOURCE: DBS *Financial Flow Accounts.*
DBS *Financial Institutions.*

REFERENCE TABLE 74

FINANCIAL FLOWS: FIRE AND CASUALTY INSURANCE COMPANIES

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic savings	52	31	94	14	45	23	12	8	22	4	82	34
Non-financial capital acquisition	4	−2	6	—	3	—	3	−1	−1	—	3	−2
Net lending (+) or borrowing (−)	48	33	88	14	42	23	9	9	23	4	79	36
Net financial investment	48	33	88	14	42	23	9	9	23	4	79	36
Net increase in financial assets	268	268	205	16	83	62	44	−3	76	81	161	154
Currency and deposits	5	1	4	−51	13	40	2	−48	14	19	2	−15
Trade receivables	1	−21	30	20	52	−26	−16	31	31	5	46	67
Short-term notes and bills	19	−10	3	−3	−3	9	—	9	−1	19	3	27
Mortgages	—	4	5	2	1	—	2	−1	1	2	3	2
Government of Canada bonds	32	8	8	16	−4	2	−6	−19	8	31	14	20
Provincial bonds	58	75	50	10	3	19	18	18	−7	−13	32	−2
Municipal bonds	25	17	6	−2	1	3	4	4	−3	5	2	6
Other Canadian bonds	43	59	27	6	—	15	6	4	15	12	21	31
Claims on associated enterprises		1	7	—	—	1	6	−5	1	—	1	−4
Stocks	57	50	53	5	14	13	21	9	11	8	32	28
Foreign investments	7	−3	4	3	4	−2	−1	−1	−4	—	5	−5
Other financial assets	21	87	8	10	2	−12	8	−4	10	−7	—	−1
Net increase in liabilities	220	235	117	2	41	39	35	−12	53	77	82	118
Trade payables	—	12	8	−12	10	−2	12	−5	−4	−3	−4	−12
Claims on associated enterprises	—	5	−10	4	1	−6	−9	−19	—	2	−1	−17
Stocks	—	4	−1	−2	1	—	—	1	1	2	−1	4
Other liabilities	220	214	120	12	29	47	32	11	56	76	88	143
Discrepancy	—	—	—	—	—	—	—	—	—	—	—	—

SOURCE: DBS *Financial Flow Accounts.*

REFERENCE TABLE 75

FINANCIAL FLOWS: CREDIT UNIONS AND CAISSES POPULAIRES

1966 to 1969

—	1966	1967	1968	1968				1969			9 months ending Sept. 30	
				I	II	III	IV	I	II	III	1968	1969
	(Millions of dollars)											
Gross domestic savings	25	49	34	−24	14	25	19	−31	14	27	15	10
Non-financial capital acquisitions	13	16	15	3	3	9	—	1	3	—	15	4
Net lending (+) or borrowing (−)	12	33	19	−27	11	16	19	−32	11	27	—	6
Net financial investment	10	35	15	−28	10	15	18	−33	10	29	−3	6
Net increase in financial assets	321	492	335	97	127	65	46	−26	172	96	289	242
Currency and deposits	38	−32	44	10	1	21	12	−10	19	13	32	22
Consumer credit	123	188	152	24	58	29	41	−25	72	39	111	86
Loans	23	38	17	1	5	6	5	−18	8	7	12	−3
Mortgages	116	169	129	57	41	30	1	7	31	26	128	64
Government of Canada bonds	—	23	−8	−10	−1	1	2	−3	4	3	−10	4
Provincial bonds	3	43	1	9	−2	3	−9	18	10	1	10	29
Municipal bonds	17	55	11	7	7	—	−3	−4	—	10	14	6
Other Canadian bonds	11	−13	7	5	6	−3	−1	−10	16	−6	8	—
Claims on associated enterprises	—	—	—	—	—	—	—	—	—	—	—	—
Other financial assets	−10	21	−18	−6	12	−22	−2	19	12	3	−16	34
Net increase in liabilities	311	457	320	125	117	50	28	7	162	67	292	236
Currency and deposits	312	463	312	121	96	38	57	18	124	77	255	219
Bank loans	−7	20	−1	−3	20	1	−19	−6	24	−7	18	11
Other loans	−4	−3	5	5	1	9	−10	−6	12	−4	15	2
Other liabilities	10	−23	4	2	—	2	—	1	2	1	4	4
Discrepancy	2	−2	4	1	1	1	1	1	1	−2	3	—

SOURCE: DBS *Financial Flow Accounts.*

PART II

REVIEW OF GOVERNMENT ACCOUNTS 1969-70

Table of Contents

	PAGE
Introduction	4897
Highlights of the government's financial operations during 1969–70	4897
Budgetary accounts	4901
Revenue	4903
Expenditure	4910
Assets and liabilities as at March 31, 1970	4941
Summary	4941
Liability accounts	4942
Asset accounts	4954
Net debt	4966
The cash position	4966
The public debt	4969
Supplementary detailed tables	4976

PART II
REVIEW OF GOVERNMENT ACCOUNTS
1969-70

INTRODUCTION

This Part of the Budget Papers presents in summary form a review of the accounts of the Government of Canada for the fiscal year 1969-70.

Although the fiscal year of the government ends on March 31, the books must remain open for some time after that date to record adjusting entries and to take into account payments during the thirty days after March 31 pursuant to section 35 of the Financial Administration Act which provides that for thirty days after the end of each fiscal year payments for the discharge of debts properly applicable to the old year may be made and charged to that year.

Consequently the figures used in this report are estimated and are based on ten months actual and two months estimated and the final figures when they become available next July or August will vary to some extent from those given in the following pages.

The presentation of expenditures in this report follows the departmental structure as set out in The Government Organization Act, 1969.

HIGHLIGHTS OF THE GOVERNMENT'S FINANCIAL OPERATIONS DURING 1969-70

This section outlines the financial operations of the government in 1969-70 giving a brief summary of the budgetary and non-budgetary transactions, the unmatured debt transactions and the changes in the cash position and the debt position during the fiscal year. More detailed explanations are given in subsequent sections of this review.

The following table summarizes the budgetary and non-budgetary transactions for 1969-70 with comparative figures for 1968-69 and indicates how these transactions affected the government's cash balances.

TABLE 1

(in millions of dollars)

Summary of Budgetary and Non-Budgetary Transactions and Changes in Cash Position	Fiscal year ending March 31			
	1970 (estimated)		1969	
Budgetary transactions—				
Revenue—				
Tax	10,987		8,986	
Non-tax	1,283		1,205	
	12,270		*10,191*	
Expenditure	11,815		10,767	
Surplus or deficit (−)		**455**		**−576**
Non-budgetary transactions (excluding unmatured debt transactions)				
Receipts and credits—				
Net annuity, insurance and pension accounts receipts	773		627	
Canada pension plan account	821		755	
Old age security fund	104		85	
Investments in United States dollar securities issued by other than the Government of Canada	32		32	
Repayment of loans, investments and advances	163		81	
Other	340		416	
	2,233		*1,996*	
Disbursements and charges—				
Advances to exchange fund	129		834	
Loans, investments and advances	1,230		1,147	
Canada pension plan investment fund	801		742	
Decrease in non-interest-bearing notes payable on demand	223		216	
Other	429		418	
	2,812		*3,357*	
Net amount available from, or required for (−), non-budgetary transactions		**−579**		**−1,361**
Overall cash requirement to be financed by increase in unmatured debt or decrease in cash balances		**−124**		**−1,937**
Net increase in unmatured debt outstanding in hands of the public		**463**		**1,523**
Net increase or decrease (−) in Receiver General bank balances		**339**		**−414**

Budgetary transactions

The budgetary revenue, expenditure and surplus as forecast in the budget speech of June 3, 1969 and the actual figures as now estimated are shown in the following table:

TABLE 2

(in millions of dollars)

Budgetary Transactions for Fiscal Year 1969-70	Budget forecast June 3, 1969	Actual (estimated)	Increase or decrease (−) compared with June 3, 1969 forecast	
			Amount	Per cent
Revenue	12,025	12,270	245	2.04
Expenditure	11,775	11,815	40	0.34
Surplus	250	455	205	

Revenue

Budgetary revenue is estimated at $12,270 million for 1969-70. This is $245 million or approximately two per cent more than the figure of $12,025 million forecast on June 3, 1969 and $2,079 million or 20 per cent more than the total collected in 1968-69.

Tax revenue accounted for $2,001 million of the increase and non-tax revenue accounted for $78 million of the increase over 1968-69 receipts.

The yield from personal income taxes was $759 million higher, from corporation income tax $575 million higher, and from return on investments $106 million higher than in 1968-69.

Expenditure

Budgetary expenditure is estimated at $11,815 million, $40 million or one-third of one per cent more than forecast on June 3, 1969 and $1,048 million or 10 per cent higher than expenditure in 1968-69.

The main changes over 1968-69 expenditure were increases of $224 million in public debt charges, $83 million in payments to provinces, $148 million in respect of the Medical Care Act, $40 million for regional economic expansion and a charge of $123 million in respect of the EXPO deficit.

Surplus

On the basis of these estimated figures, revenue of $12,270 million and expenditure of $11,815 million, there will be a surplus of $455 million compared with a surplus of $250 million as forecast on June 3, 1969 and a deficit of $576 million in 1968-69.

Non-budgetary transactions (excluding unmatured debt transactions)

Non-budgetary transactions are those which increase or decrease the government's asset and liability accounts and do not enter into the calculation of the annual budgetary surplus or deficit.

In 1969-70 it is estimated that net disbursements and charges of $2,812 million will exceed net receipts and credits of $2,233 million, resulting in a net requirement of $579 million. In 1968-69 net disbursements and charges were $3,357 million and net receipts and credits were $1,996 million resulting in a net requirement of $1,361 million.

Old age security fund

Receipts by the fund in 1969-70 are estimated at $1,823 million and payments are estimated at $1,719 million resulting in a net gain in the fund of $104 million. In 1968-69 receipts of $1,626 million exceeded payments of $1,541 million by $85 million.

The transactions in the fund during 1969-70 compared with those for 1968-69 are shown in the following table:

	Fiscal year ending March 31 1970 (estimated)	1969
	(in millions of dollars)	
Balance in fund at beginning of fiscal year	621	536
Receipts—		
Sales tax	569	528
Personal income tax	1,027	915
Corporation income tax	227	183
	2,444	2,162
Disbursements—		
Pension payments	−1,450	−1,297
Guaranteed income supplement	−269	−244
Balance in fund at end of fiscal year	725	621

Canada pension plan account

Receipts during 1969-70 are estimated at $889 million and disbursements at $68 million resulting in a net gain of $821 million. In 1968-69 receipts of $785 million exceeded disbursements of $30 million by $755 million.

The transactions in the fund for 1969-70 compared with those for 1968-69 are shown in the following table:

	Fiscal year ending March 31 1970 (estimated)	1969
	(in millions of dollars)	
Balance at beginning of fiscal year	2,108	1,353
Receipts	889	785
Disbursements—		
Benefit payments	−50	−16
Administrative expenses	−18	−14
Balance at end of fiscal year	2,929	2,108

The balance in the fund at March 31, 1970 includes investments of $2,809 million in provincial government securities, $15 million in federal government securities and an operating balance of $105 million on deposit with the Receiver General for Canada.

Unmatured debt transactions

It is estimated that these transactions will result in an increase of $463 million in unmatured debt outstanding in the hands of the public compared with an increase of $1,523 million in 1968-69.

Change in cash position

Receiver General bank balances in current deposits including those in foreign currencies are estimated to be $939 million at March 31, 1970 compared with $600 million at March 31, 1969.

The budgetary surplus of $455 million plus the increase of $463 million in outstanding unmatured debt exceeded non-budgetary requirements of $579 million by $339 million.

The implication of the level of government balances at any given time can be misinterpreted because of their wide fluctuations throughout the year, as is illustrated in the following table. Furthermore, because many cheques are issued at the end of a month and are redeemed in the first few days of the following month, whereas the largest percentage of receipts are not received until later, cash balances may drop in the early days of each month by as much as $125 million to $300 million.

Government of Canada

CANADIAN CASH BALANCES

	1965	1966	1967	1968	1969
January	857.1	925.6	670.5	1,065.2	853.5
February	867.3	807.7	823.4	940.6	761.2
March	652.0	603.8	795.7	997.2	587.0
April	528.7	496.4	594.7	609.7	713.0
May	729.9	600.4	866.7	458.4	804.1
June	639.6	561.3	650.4	328.6	879.8
July	787.4	687.3	686.7	248.4	874.4
August	675.2	503.1	661.5	381.2	841.9
September	509.6	491.5	367.0	190.8	636.4
October	504.7	530.9	194.9	391.8	479.0
November	984.8	1,048.9	607.1	995.0	1,537.0
December	895.3	941.8	650.1	706.6	1,377.0

Change in debt position

As a result of the estimated budgetary and non-budgetary transactions the gross liabilities will increase by $2,099 million and net recorded assets will increase by $2,554 million and the net debt of Canada will be reduced by $455 million.

	Fiscal year ending March 31		
	1970 (estimated)	1969	Increase or decrease (−)
	(in millions of dollars)		
Gross liabilities	38,018	35,919	2,099
Less net recorded assets	21,137	18,583	2,554
Net debt	16,881	17,336	−455

THE BUDGETARY ACCOUNTS

Total budgetary revenue is estimated at $12,270 million and budgetary expenditure at $11,815 million resulting in a budgetary surplus of $455 million.

TABLE 3

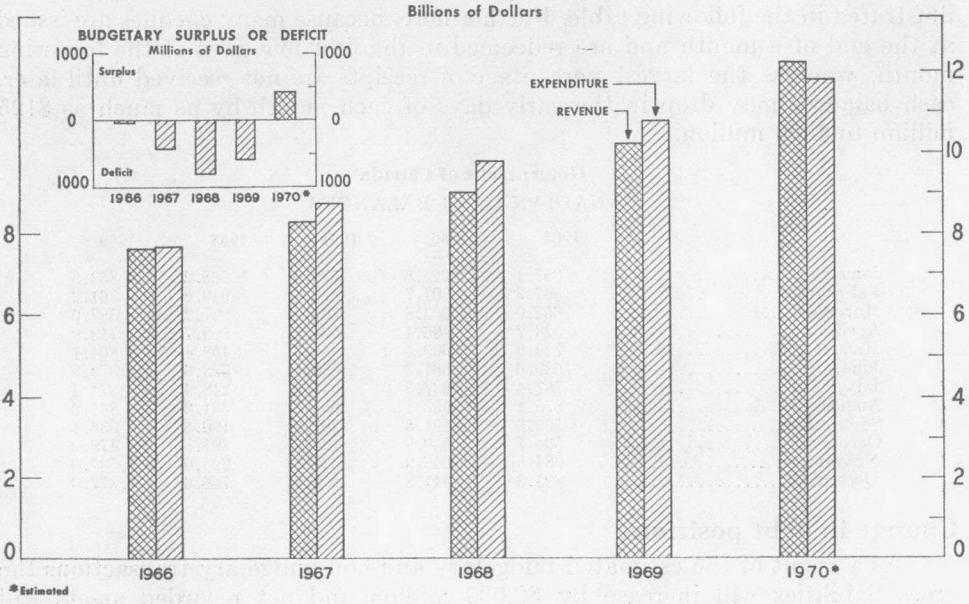
BUDGETARY REVENUE, EXPENDITURE AND SURPLUS OR DEFICIT
(in millions of dollars)

FISCAL YEAR ENDING MARCH 31	Budgetary revenue	Budgetary expenditure	Surplus or deficit (−)
1961	5,617.7	5,958.1	−340.4
1962	5,729.6	6,520.6	−791.0
1963	5,878.7	6,570.3	−691.6
1964	6,253.2	6,872.4	−619.2
1965	7,180.3	7,218.3	−38.0
1966	7,695.8	7,734.8	−39.0
1967	8,376.2	8,797.7	−421.5
1968	9,076.6	9,871.4	−794.8
1969	10,191.1	10,767.2	−576.1
1970 (estimated)	12,270.0	11,815.0	455.0

BUDGETARY REVENUE AND EXPENDITURE

Fiscal Years Ending March 31

Billions of Dollars



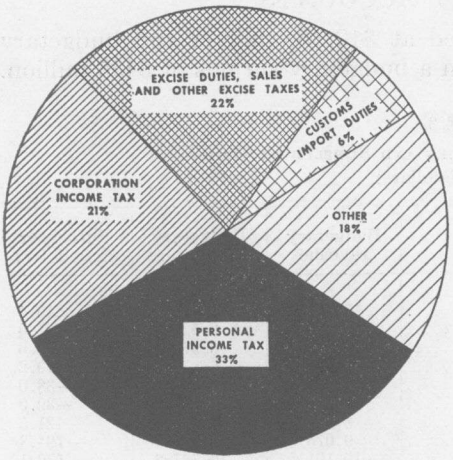
*Estimated

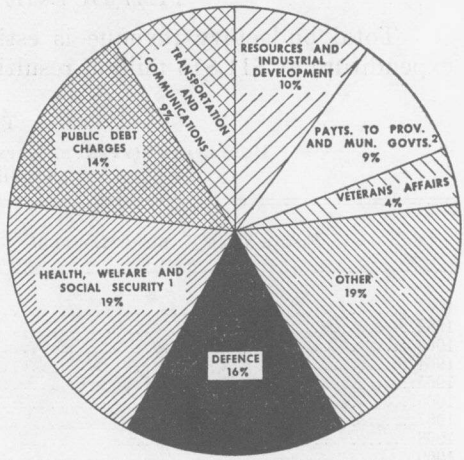
BUDGETARY REVENUE BY MAJOR SOURCE

BUDGETARY EXPENDITURE BY MAJOR FUNCTION

For Fiscal Year Ending March 31, 1970

Estimated





1. Does not include payments out of old age security fund.
2. Does not include those payments made to provincial and municipal governments for specific purposes.

Revenue

Budgetary revenue is estimated at $12,270 million, $2,079 million or 20 per cent over the total of $10,191 million received in 1968-69. Tax revenue at $10,987 million accounted for 89 per cent of the total revenue for the year and non-tax revenue at $1,283 million accounted for 11 per cent.

Increases of $759 million in the yield from personal income taxes, $575 million in the yield from corporation income taxes, $414 million in the yield from the social development tax, $155 million from the yield from the sales tax and $106 million in returns from investments are the main items resulting in the higher total in 1969-70.

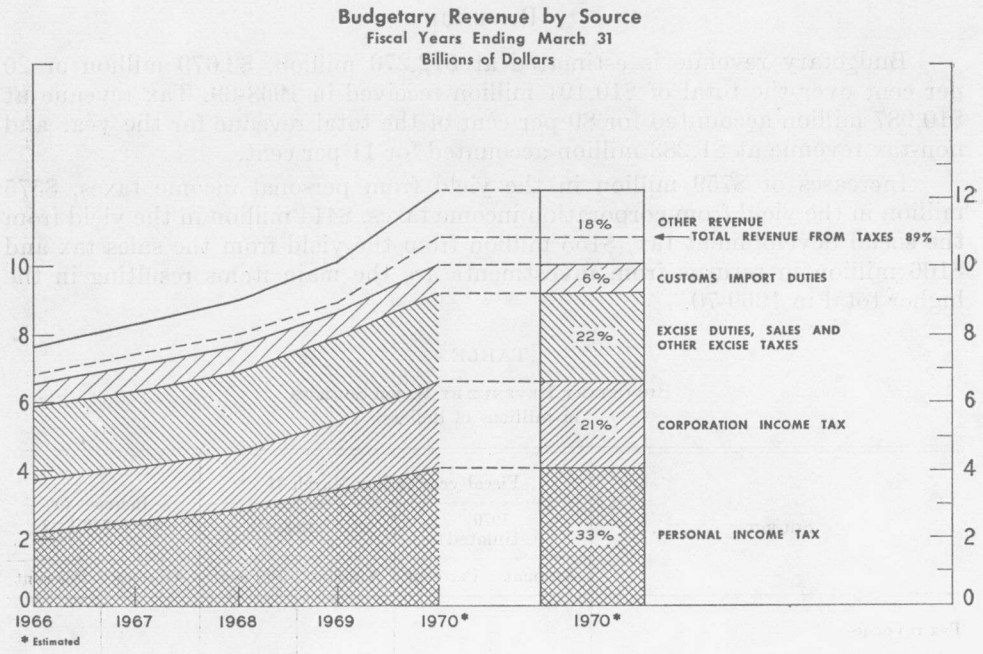
TABLE 4

Budgetary Revenue by Major Sources
(in millions of dollars)

Source	Fiscal year ending March 31				Increase or decrease (−)	
	1970 (estimated)		1969			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Tax revenue—						
Income tax—						
Personal[1][2]	4,115.0	33.5	3,356.4	33.0	758.6	22.6
Corporation[1][2]	2,605.0	21.2	2,030.0	19.9	575.0	28.3
On dividends, interest, etc., going abroad	240.0	2.0	205.6	2.0	34.4	16.7
Social development tax	477.0	3.9	63.0	0.6	414.0	657.1
Excise taxes—						
Sales[1][2]	1,725.0	14.1	1,569.8	15.4	155.2	9.9
Other[2]	380.0	3.1	377.9	3.7	2.1	0.6
Customs import duties[2]	815.0	6.6	761.7	7.5	53.3	7.0
Excise duties[2]	525.0	4.3	509.3	5.0	15.7	3.1
Estate tax	104.8	0.8	112.4	1.1	−7.6	−6.8
Other taxes	0.2		0.2			
	10,987.0	*89.5*	*8,986.3*	*88.2*	*2,000.7*	*22.3*
Non-tax revenue—						
Return on investments	801.0	6.5	695.1	6.8	105.9	15.2
Post office—net postal revenue	353.0	2.9	310.6	3.0	42.4	13.7
Other non-tax revenue	129.0	1.1	199.1	2.0	−70.1	−35.2
	1,283.0	*10.5*	*1,204.8*	*11.8*	*78.2*	*6.5*
Total budgetary revenue	12,270.0	100.0	10,191.1	100.0	2,078.9	20.4

	1969–70	1968–69
[1] Excluding credits to:		
The old age security fund—		
Personal income tax	1,027.0	915.0
Corporation income tax	227.0	183.0
Sales tax	569.0	528.1
	1,823.0	1,626.1

[2] Net after deduction of refunds and drawbacks.



TAX REVENUE

Federal-provincial fiscal arrangements

Under fiscal arrangements, that became operative in 1962, the federal government withdrew in part from the field of direct taxation and left the vacated area to the provinces. The federal government offered to collect the provincial income taxes without charge provided that provincial personal income tax was expressed as a percentage of federal personal income tax otherwise payable and provincial corporation income tax applied to taxable income calculated in the same way as for federal income tax purposes. To allow for the imposition of the provincial income taxes, the Income Tax Act was amended to abate the federal income tax otherwise payable by individuals in all provinces. The abatement in 1967, 1968, 1969 and 1970 was 28 per cent for taxpayers in all provinces except Quebec and 50 per cent for taxpayers in the Province of Quebec. The higher abatement for Quebec is in compensation of the fact that the payment of youth allowances and full cost of certain programs which are supported jointly by federal and provincial governments in the other provinces have been assumed by Quebec. The federal corporation income tax rates were abated by 10 percentage points for taxable income earned in all provinces in the years 1967, 1968, 1969 and 1970. The federal government has entered into tax-collection agreements under which it collects the provincial personal income taxes of all provinces except Quebec and the provincial corporation income taxes of all provinces except Ontario and Quebec.

Under these collection agreements, payments are made monthly to each province based on an estimate of that province's tax revenue. The actual amounts due based on assessed returns are established as at December 31 following the end of the fiscal year and adjustments are made with the provinces.

Under the present fiscal arrangements, the federal government agreed to abate its estate tax by 50 per cent in the fiscal years 1962-63 and 1963-64, and by 75 per cent thereafter, in any province that imposed its own succession duties. To a province that did not wish to re-enter the succession duty field the federal government agreed to pay 50 per cent of the federal estate tax revenue from within the province in 1962-63 and 1963-64 and 75 per cent thereafter. During 1962-63, Quebec and Ontario collected their own succession duties while the other provinces received a payment in lieu of imposing duties. Starting in 1963-64 British Columbia joined Ontario and Quebec in imposing its own succession duties. When the estate tax abatement was raised to 75 per cent in 1964-65, British Columbia increased its succession duty rates accordingly but Quebec and Ontario preferred to take in lieu of the extra abatement a payment equivalent to 25 per cent of the federal estate tax in those provinces. This arrangement also carried into 1965-66, 1966-67, 1967-68, 1968-69 and 1969-70.

Tax on personal income

In 1969-70 personal income tax is again the largest source of government revenue. Its yield (excluding the old age security tax) is expected to be $4,115 million or 33 per cent of all budgetary revenue compared with $3,356 million or 33 per cent in 1968-69. The increase of $759 million was due mainly to a higher level of personal incomes in 1969-70 and partly due to a temporary surtax of 3 per cent on the basic tax in excess of $200 applied in respect of tax imposed on 1968 and 1969 income. A full year's yield from the tax was not received in 1968-69.

In addition to the federal revenue, it is estimated that $1,312 million will be allocated to the provincial tax collection agreements account under the terms of federal-provincial fiscal arrangements compared with $1,089 million in 1968-69.

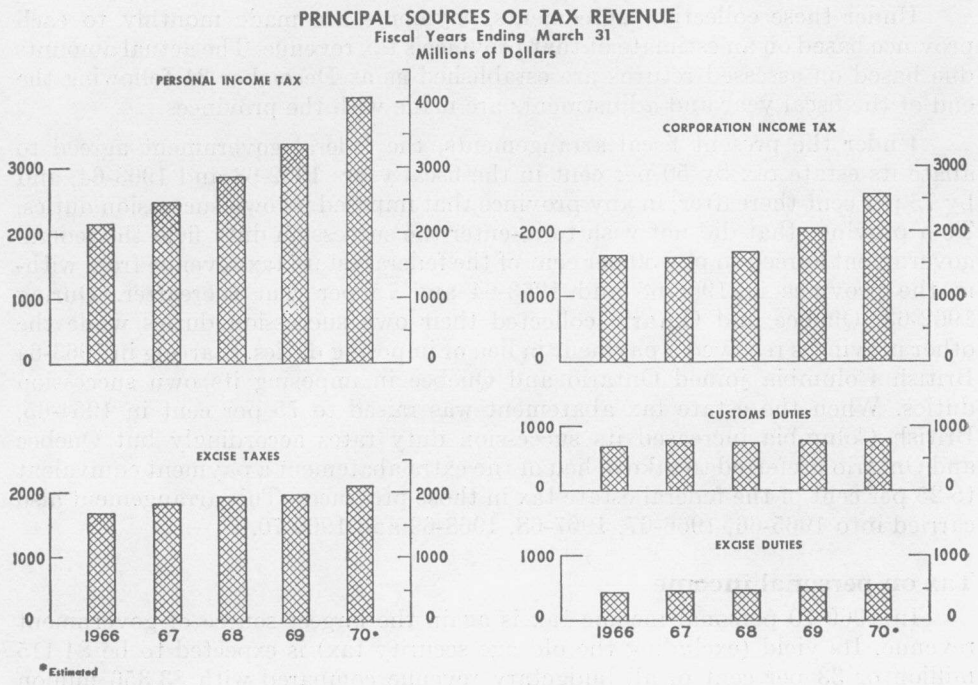
The tax on personal incomes levied under the Old Age Security Act and credited to the old age security fund is estimated at $1,027 million compared with $915 million in 1968-69. This increase of $112 million is due mainly to higher levels of personal income in 1969-70.

Corporation income tax

Corporation income tax was the second largest source of government revenue. The yield (excluding the old age security tax) is estimated at $2,605 million or 21 per cent of total budgetary revenue compared with $2,030 million or 20 per cent in 1968-69. The increase of $575 million was due to higher corporation incomes during the year.

In addition to the federal revenue, it is estimated that $249 million will be allocated to the provincial tax collection agreements account under terms of federal-provincial fiscal arrangements compared with $171 million in 1968-69.

The tax on incomes of corporations levied under the Old Age Security Act and credited to the old age security fund is estimated at $227 million compared with $183 million in 1968-69.



Taxes on dividends, interest, etc., going abroad

Revenue in this category is derived from taxes withheld from dividends, interest, rents, royalties, alimony and income from estates and trusts paid to non-residents.

Collections of $240 million are $34 million higher than in 1968-69.

Social development tax

This is a new tax which first took effect for the taxation year 1969. The tax, which is imposed on individuals, is the lesser of 2 per cent of the taxable income or $120. During 1969-70, its yield is expected to be $477 million compared with $63 million in 1968-69.

Excise taxes

From a revenue standpoint the general sales tax is the most important tax levied under the Excise Tax Act. Receipts (excluding the old age security tax) are estimated at $1,725 million compared with $1,570 million in 1968-69.

The sales tax levied under the Old Age Security Act and credited to the old age security fund is expected to be $569 million compared with $528 million in 1968-69.

The yield of $380 million from other excise taxes is $2 million more than in 1968-69.

Customs import duties

Receipts from this source in the amount of $815 million are $53 million more than in 1968-69.

Excise duties

Excise duties are levied on alcoholic beverages (other than wines) and tobacco products. (Additional taxes on tobacco products are levied under the Excise Tax Act.) Net receipts of $525 million are $16 million higher than in 1968-69.

Gross receipts of $334 million from duties on alcoholic beverages consist of $195 million in respect of spirits and $139 million in respect of beer and are $14 million higher than collections of $320 million in 1968-69 of which $185 million was in respect of spirits and $135 million in respect of beer.

Gross receipts of $199 million from duties on tobacco products are $3 million more than in 1968-69.

Refunds and drawbacks of $9 million bring net excise duty collections to $525 million. In 1968-69 refunds and drawbacks were $8 million and net receipts were $509 million.

Estate tax

Revenue in this category is derived under the Estate Tax Act. Net receipts of $105 million are $7 million less than receipts of $112 million in 1968-69.

Other taxes

Revenue under this heading of $200 thousand is approximately the same as in 1968-69.

NON-TAX REVENUE

Non-tax revenue in the amount of $1,283 million is $78 million more than in 1968-69. The main changes are increases of $106 million in return on investments and $42 million in post office revenue and a decrease of $67 million in bullion and coinage.

TABLE 5

(in millions of dollars)

Non-Tax Revenue	Fiscal year ending March 31		Increase or decrease (−)	
	1970 (estimated)	1969	Amount	Per cent
Return on investments	801.0	695.1	105.9	15.2
Post Office—net postal revenue	353.0	310.6	42.4	13.7
Refunds of previous years' expenditure	24.0	23.8	0.2	0.8
Services and service fees	29.0	30.7	−1.7	−5.5
Proceeds from sales	17.5	17.4	0.1	0.6
Privileges, licences and permits	34.0	35.0	−1.0	−2.9
Bullion and coinage	8.0	74.8	−66.8	−89.3
Premium, discount and exchange		0.5	−0.5	−100.0
Other	16.5	16.9	−0.4	−2.4
	1,283.0	1,204.8	78.2	6.5

Return on investments

These receipts, amounting to $801 million, consist of income derived from loans and advances made by the government and from investments by the government in productive or earning assets. In 1968-69 receipts totalled $695 million.

TABLE 6

(in millions of dollars)

Return on Investments	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Loans to, and investments in, Crown corporations—			
Bank of Canada—profits	229.0	186.2	42.8
Canadian Broadcasting Corporation	7.0	4.8	2.2
Canadian Corporation for the 1967 World Exhibition		7.9	—7.9
Canadian National Railways	45.0	35.9	9.1
Central Mortgage and Housing Corporation—			
Interest on debentures	221.0	190.6	30.4
Net profit	13.0	8.5	4.5
Export Development Corporation[1]	13.0	11.1	1.9
Farm Credit Corporation	60.0	50.5	9.5
Northern Canada Power Commission	8.4	4.5	3.9
The St. Lawrence Seaway Authority	10.0	13.3	—3.3
Other	8.6	15.4	—6.8
	615.0	*528.7*	*86.3*
Other loans and investments—			
Exchange fund account	85.0	84.5	0.5
Interest-bearing deposits with chartered banks	40.0	20.1	19.9
Municipal Development and Loan Board	14.0	14.2	—0.2
Soldier and general land settlement loans and veterans land act advances	20.0	16.1	3.9
United Kingdom	21.0	2.7	18.3
Other	6.0	28.8	—22.8
	186.0	*166.4*	*19.6*
	801.0	695.1	105.9

[1] Formerly the Export Credits Insurance Corporation.

Receipts from Crown corporations at $615 million are $86 million more than in 1968-69. The main changes are increases of $43 million in Bank of Canada profits paid to the government and $35 million in payments by the Central Mortgage and Housing Corporation.

The yield from other loans and investments at $186 million is $20 million more than in 1968-69. The main changes are increases of $20 million in interest in Receiver General deposits with chartered banks and $18 million in interest received on the loan to the United Kingdom. In 1968-69 the interest due on that loan was deferred in accordance with a special agreement.

Post office revenue

Gross receipts from post office operations are estimated at $407 million for 1969-70 but authorized disbursements from revenue, for salaries and allowances at semi-staff and revenue offices, transit charges on Canadian mail forwarded through and delivered in foreign countries, in the amount of $54 million resulted in net receipts of $353 million. In 1968-69 gross receipts were $363 million, authorized disbursements were $53 million and net receipts were $310 million.

TABLE 7

(in millions of dollars)

Post Office Revenue	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Postage—			
In Canada	384.0	342.9	41.1
From foreign countries	6.0	6.0	
Commission on money orders	11.1	10.0	1.1
Rental of post office boxes	5.0	3.1	1.9
Other	0.8	1.3	−0.5
	406.9	*363.3*	*43.6*
Less—			
Salaries and allowances	−47.8	−47.2	−0.6
Transit charges to or through foreign countries	−4.2	−3.8	−0.4
Other	−1.9	−1.7	−0.2
	−53.9	*−52.7*	*−1.2*
	353.0	310.6	42.4

Net costs of operating the Post Office for 1969-70 are expected to be $350 million (excluding the $54 million charged to revenue). As net revenue is expected to be $353 million there is an estimated operating surplus of $3 million. In 1968-69 net costs of $342 million exceeded net receipts of $310 million by $32 million.

It should be noted that the total shown for post office revenue does not reflect any payment for the franking privilege covering parliamentary and departmental mail or for certain miscellaneous services provided for other government departments and agencies nor do the operating costs include any charges for premises occupied by the Post Office or for accounting and special services provided by other departments.

Refunds of previous years' expenditure

Revenue under this heading in the amount of $24 million includes $7 million in receipts by the Department of National Defence, mainly from adjustments to cost audits and to adjustments on contracts with the United States government, and $5 million in receipts by the Department of Veterans Affairs mainly from refunds of veterans pensions, allowances and re-establishment credits. In 1968-69 receipts totalled $24 million.

Services and service fees

Revenue from this source of $29 million includes $10 million in receipts by the Department of Agriculture mainly for services in connection with the inspection, weighing, storage and elevation of grain and $3 million in receipts by the Department of Consumer and Corporate Affairs for electricity, gas, weights and measures inspection fees. In 1968-69 receipts totalled $31 million.

Proceeds from sales

Revenue of $18 million includes receipts of $5 million by the Department of Supply and Services mainly from the sale of surplus Crown assets and $3 million in receipts by Central Mortgage and Housing Corporation from the sales of properties. In 1968-69 receipts totalled $17 million.

Privileges, licences and permits

Revenue of $34 million from this category includes $13 million in receipts by the Department of Indian Affairs and Northern Development from fees, leases and royalties in respect of oil, gas and gold and receipts of $6 million by the Department of Consumer and Corporate Affairs from patents, trade marks, charters, etc. and $5 million in receipts by the Department of Public Works for rental of public buildings and sites. In 1968-69 receipts totalled $35 million.

Bullion and coinage

This revenue which is derived from the operation of the Royal Canadian Mint is $8 million compared with $75 million in 1968-69. The decrease is due to the fact that the 1968-69 total included a net gain of $66 million in nickel coinage mainly accounted for by the change in the composition of the 10 cent, 25 cent and 50 cent coins.

Premium, discount and exchange

These transactions reflect a net expenditure of $5 million compared with net revenue of $500 thousand in 1968-69.

Other non-tax revenue

Other non-tax revenue in the amount of $17 million is approximately the same as in 1968-69.

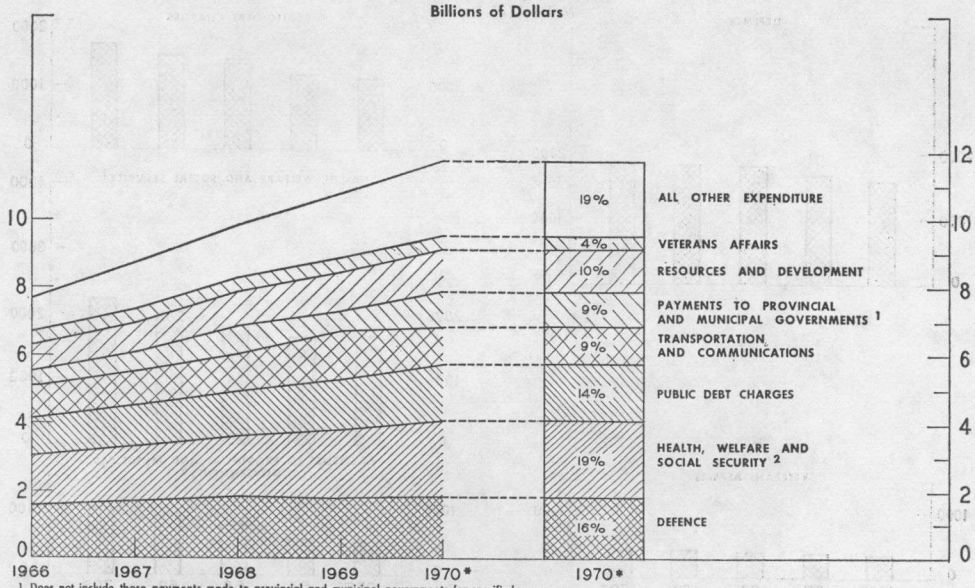
EXPENDITURE

Budgetary expenditure for 1969-70 is estimated at $11,815 million, an increase of $1,048 million over the 1968-69 total of $10,767 million.

BUDGETARY EXPENDITURE, CLASSIFIED BY FUNCTION

Fiscal Years Ending March 31

Billions of Dollars



1. Does not include those payments made to provincial and municipal governments for specified purposes.
2. Does not include pension payments out of the old age security fund not charged to budgetary expenditure in the year in which they were paid.

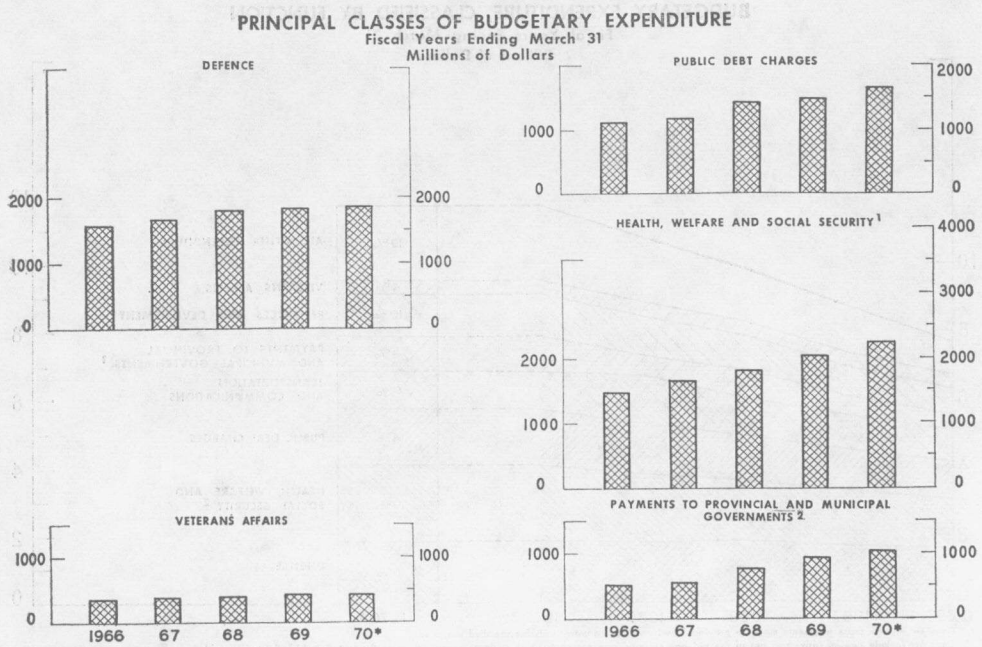
* Estimated

TABLE 8

STATEMENT OF BUDGETARY EXPENDITURE BY DEPARTMENTS

(in millions of dollars)

	Fiscal year ending March 31				Increase or decrease (−)	
	1970 (estimated)		1969			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Agriculture	285.0	2.4	286.9	2.7	−1.9	−0.7
Communications	364.0	3.1	354.5	3.3	9.5	2.7
Consumer and Corporate Affairs	17.0	0.1	13.7	0.1	3.3	24.1
Energy, Mines and Resources	187.0	1.6	179.7	1.7	7.3	4.1
External Affairs	248.0	2.1	226.1	2.1	21.9	9.7
Finance	2,859.0	24.2	2,420.7	22.5	438.3	18.1
Fisheries and Forestry	76.0	0.6	79.0	0.7	−3.0	−3.8
Governor General and Lieutenant-Governors	1.0		1.0			
Indian Affairs and Northern Development	304.0	2.6	267.0	2.5	37.0	13.9
Industry, Trade and Commerce	294.0	2.5	203.9	1.9	90.1	44.2
Justice	20.0	0.2	16.9	0.2	3.1	18.3
Labour	158.0	1.3	136.6	1.3	21.4	15.7
Manpower and Immigration	455.0	3.9	416.1	3.9	38.9	9.3
National Defence	1,785.0	15.1	1,760.8	16.3	24.2	1.4
National Health and Welfare	1,950.0	16.5	1,668.7	15.5	281.3	16.9
National Revenue	143.0	1.2	120.0	1.1	23.0	19.2
Parliament	22.0	0.2	18.6	0.2	3.4	18.3
Privy Council	11.0	0.1	9.3	0.1	1.7	18.3
Public Works	298.0	2.5	284.8	2.6	13.2	4.6
Regional Economic Expansion	221.0	1.9	180.8	1.7	40.2	22.2
Secretary of State	542.0	4.6	522.6	4.8	19.4	3.7
Solicitor General	176.0	1.5	165.9	1.5	10.1	6.1
Supply and Services	80.0	0.7	65.7	0.6	14.3	21.8
Transport	514.0	4.3	508.1	4.7	5.9	1.2
Treasury Board	381.0	3.2	432.2	4.0	−51.2	−11.8
Veterans Affairs	424.0	3.6	427.6	4.0	−3.6	−0.8
	11,815.0	100.0	10,767.2	100.0	1,047.8	9.7



1. The unshaded areas of the columns in the chart for health, welfare and social security represent pension payments out of old age security fund not charged to budgetary expenditure.
2. Does not include those payments made to provincial and municipal governments for specific purposes.
* Estimated

Agriculture

Expenditures of the Department of Agriculture estimated in the amount of $285 million are $2 million less than in 1968-69.

TABLE 9

(in millions of dollars)

Agriculture	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Production and marketing—			
Agricultural stabilization board—net operating loss	125.0	145.4	−20.4
Other	40.0	33.4	6.6
	165.0	*178.8*	*−13.8*
Research	46.0	45.3	0.7
Canadian livestock feed board	22.0	18.2	3.8
Farm Credit Corporation—net operating loss	7.9	6.0	1.9
Administration and general	44.1	38.6	5.5
	285.0	286.9	−1.9

Outlays for production and marketing at $165 million are $14 million less than in 1968-69. The charge to expenditure in 1969-70 in respect of the operations of the Agricultural Stabilization Board is expected to be $125 million compared with $145 million in 1968-69.

Expenditures for research at $46 million are approximately the same as in 1968-69, and the estimated loss of $8 million of the Farm Credit Corporation is $2 million more than in the previous year.

Communications

Expenditures in respect of Communications, including the Post Office, in the amount of $364 million are $10 million higher than in 1968-69.

TABLE 10

(in millions of dollars)

Communications and Post Office	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Post Office—			
Operations—			
Salaries and other expenses of staff post offices, district offices and railway mail services; and supplies and equipment and other items for revenue post offices	243.0	243.0	
Salaries of postmasters and staff at revenue and semi-staff offices, commissions paid at sub-offices, and other disbursements	53.9	52.7	1.2
Transportation—movement of mail by land, air and water	94.0	89.0	5.0
Financial services	4.0	3.6	0.4
Administration and general	9.0	6.1	2.9
Gross post office expenditure	403.9	394.4	9.5
Less: charged to revenue	−53.9	−52.7	−1.2
Communication—	350.0	341.7	8.3
Research satellite program	5.0	3.5	1.5
Administration and general	9.0	9.3	−0.3
	364.0	354.5	9.5

Costs of the Post Office, charged to budgetary expenditure, at $350 million include $243 million for operations and $94 million for transportation. In 1968-69 costs of $342 million included $243 million for operations and $89 million for transportation.

Remuneration of postmasters and staff at revenue and semi-staff offices and certain other disbursements are paid from revenue. These payments at $54 million ($53 million in 1968-69) brings gross post office expenditure to $404 million in 1969-70 compared with $394 million in 1968-69.

Expenditures for Communications of $14 million include $5 million for the research satellite program. In 1968-69 other expenditures were $13 million of which $4 million was for the research satellite program.

Consumer and Corporate Affairs

Expenditures of the Department of Consumer and Corporate Affairs are $17 million, $3 million higher than comparable figures for 1968-69.

TABLE 11

(in millions of dollars)

Consumer and Corporate Affairs	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Consumer affairs	6.7	5.9	0.8
Corporate affairs	6.9	5.5	1.4
Combines investigations and research	1.6	1.2	0.4
Prices and incomes commission	0.6		0.6
Administration and general	1.2	1.1	0.1
	17.0	13.7	3.3

Energy, Mines and Resources

Expenditures of the Department of Energy, Mines and Resources, including Atomic Energy of Canada Limited, the Atomic Energy Control Board, the Dominion Coal Board and the National Energy Board, total $187 million, an increase of $7 million over 1968-69 expenditures.

TABLE 12

(in millions of dollars)

Energy, Mines and Resources	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Mines, minerals, energy and geosciences—			
Emergency gold mining assistance	15.2	14.7	—0.5
Field and air surveys, mapping and aeronautical charting	11.0	11.5	—0.5
Geological research	10.0	11.2	—1.2
Other	16.4	17.4	—1.0
	52.6	*54.8*	*—2.2*
Water and co-ordination of renewable resources programs—			
Marine surveys and research	19.5	18.3	1.2
Research and investigations on water resources	18.1	16.4	1.7
Other	6.4	4.0	2.4
	44.0	*38.7*	*5.3*
Administration and general	5.7	4.9	0.8
	102.3	98.4	3.9
Atomic Energy of Canada Limited	69.0	68.6	0.4
Atomic Energy Control Board	6.0	4.0	2.0
Dominion Coal Board	8.2	7.2	1.0
National Energy Board	1.5	1.5	
	187.0	179.7	7.3

Expenditures for mines, minerals, energy and geosciences amount to $53 million, of which $15 million was emergency gold mining assistance, $11 million was for field and air surveys and $10 million for geological research. In 1968-69 expenditures of $55 million included $15 million for emergency gold mining assistance, $12 million for field and air surveys and $11 million for geological research.

Expenditures for water and co-ordination of renewable resources programs of $44 million include $20 million for marine surveys and research and $18 million for research and investigations on water resources. In 1968-69 expenditures of $39 million included $18 million for marine surveys and research and $16 million for research and investigations on water resources.

Expenditures for Atomic Energy of Canada Limited amount to $69 million, compared with $69 million in 1968-69, for Atomic Energy Control Board $6 million, compared with $4 million and for the Dominion Coal Board $8 million, compared with $7 million.

External Affairs

Expenditures of the Department of External Affairs, including the Canadian International Development Agency and the International Joint Commission, in the amount of $248 million are $22 million more than the total for the previous year.

Expenditures of the Canadian International Development Agency are $175 million compared with $157 million in 1968-69. Included in these expenditures are $82 million for the international food aid program ($69 million in 1968-69), $57 million for the international development assistance ($63 million in 1968-69) and $25 million for grants to international organizations ($15 million in 1968-69).

TABLE 13

(in millions of dollars)

External Affairs	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Grants, contributions and assessments for membership in international and commonwealth organizations—			
United nations and its agencies	8.3	9.7	−1.4
Commonwealth organizations	0.3	0.3	
Other	8.1	5.2	2.9
	16.7	*15.2*	*1.5*
Construction, acquisition or improvement of buildings, works, land, equipment and furnishings	6.9	6.7	0.2
Administration, operation and maintenance	49.0	47.0	2.0
	72.6	68.9	3.7
Canadian International Development Agency—			
Economic, technical, educational and other assistance—			
International food aid program	81.8	68.9	12.9
International development assistance	56.9	62.9	−6.0
Grants to international organizations	25.0	15.3	9.7
Contributions to approved development assistance projects undertaken by Canadian non-governmental organizations	6.0	5.5	0.5
Other		0.3	−0.3
Administration	5.3	3.9	1.4
	175.0	*156.8*	*18.2*
International Joint Commission	0.4	0.4	
	248.0	226.1	21.9

Expenditures of the department in the amount of $73 million include $49 million for administration, operation and maintenance, $7 million for construction and acquisition and $17 million in respect of international and commonwealth organizations. In 1968-69 these expenditures totalled $69 million of which $47 million was for administration, operation and maintenance, $7 million for construction and acquisition and $15 million in respect of international and commonwealth organizations.

Finance

Expenditures of the Department of Finance are estimated at $2,859 million compared with $2,421 million in 1968-69. Also reported under this heading are expenditures of the Auditor General and the Department of Insurance.

The main changes are increases of $224 million in public debt charges, $83 million in payments to provinces and a charge of $123 million to cover the federal share of the EXPO deficit.

TABLE 14

(in millions of dollars)

Finance	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Public debt charges	1,704.0	1,480.0	224.0
Fiscal, subsidy and other payments to provinces	950.2	867.1	83.1
Municipal grants	50.0	45.1	4.9
Canadian Corporation for the 1967 World Exhibition—deficit	123.0		123.0
Administration and general	27.8	24.2	3.6
	2,855.0	2,416.4	438.6
Auditor General	2.5	2.4	0.1
Insurance	1.5	1.9	—0.4
	2,859.0	2,420.7	438.3

Public debt charges

Public debt charges consist of interest on the public debt, the annual amortization of bond discounts and commissions, the cost of issuing new loans and other costs incurred in servicing the public debt. These charges in the amount of $1,704 million include interest on public debt of $1,663 million of which $1,284 million is in respect of unmatured debt and $379 million in respect of other liabilities.

The increase of $148 million in interest on unmatured debt reflects an increase in unmatured debt and higher interest rates. The increase in interest on other liabilities is attributable mainly to the superannuation accounts.

Other public debt charges of $41 million are $4 million higher than in 1968-69.

When considering the magnitude of these public debt charges and the burden they place upon the public treasury, it must be borne in mind that a substantial portion of the debt is attributable to, or is invested in, productive or earning assets. Therefore, in calculating the *net* burden of the government's

annual interest charges, the income derived from loans, investments and other productive assets must be taken into account. For 1969-70 this income is estimated at $801 million as shown in the non-tax revenue section under the heading "return on investments". This amount deducted from the gross total of $1,663 million for interest as shown in the table leaves a net amount of $862 million compared with a net of $747 million in 1968-69. Measured as a percentage of the net debt the burden of the net annual interest charges is 5.10 per cent in 1969-70 compared with 4.31 per cent in 1968-69. As a percentage of the gross national product for the calendar year ending within the fiscal year, the relative burden is 1.17 per cent compared with 1.11 per cent in 1968-69.

TABLE 15

(in millions of dollars)

Interest and Other Public Debt Charges	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Interest on public debt—			
Unmatured debt including treasury bills—			
Payable in Canadian dollars	1,259.5	1,115.6	143.9
Payable in foreign currencies	24.5	20.5	4.0
	1,284.0	*1,136.1*	*147.9*
Other liabilities—			
Annuity, insurance and pension accounts	365.0	289.9	75.1
Deposit and trust accounts	8.0	5.9	2.1
Refundable portion of corporation income tax	6.0	10.6	−4.6
	379.0	*306.4*	*72.6*
Total interest on public debt	1,663.0	1,442.5	220.5
Other public debt charges—			
Annual amortization of bond discounts and commissions	34.0	30.1	3.9
Cost of issuing new loans	4.0	3.8	0.2
Servicing of public debt	3.0	2.9	0.1
Commitment fees		0.7	−0.7
	41.0	*37.5*	*3.5*
	1,704.0	1,480.0	224.0

TABLE 16

(in millions of dollars)

Net Burden of Annual Interest Charges	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Total interest on public debt	1,663.0	1,442.5	220.5
Less return on investments	801.0	695.1	105.9
Net interest cost	862.0	747.4	114.6
Net interest cost as a percentage of net debt	5.10	4.31	

Fiscal, subsidy and other payments to provinces

Budgetary expenditure for payments to the provinces is $950 million, $83 million more than in 1968-69.

Payments of $751 million under the Federal-Provincial Fiscal Arrangements Act are $107 million higher than in 1968-69.

Payments of $167 million under the Established Programs (Interim Arrangements) Act to the Province of Quebec are in compensation to that province for its opting out of the following programs: hospital insurance and diagnostic services, old age assistance, disabled persons allowances, blind persons allowances, unemployment assistance and Canada assistance plan; and in part, the general health grants program. Payments totalled $187 million in 1968-69.

Subsidies to provinces payable under the British North America Acts and other statutory authority are $32 million, the same as in 1968-69.

The transfers of certain public utility tax receipts of $24 million in 1969-70, are $3 million more than in 1968-69 and represent the transferable portion of income tax received from corporations whose main business is the distribution to, or generation for distribution to, the public of electrical energy, gas and steam.

The Federal-Provincial Fiscal Revision Act, 1964, provides that where, in any fiscal year commencing on or after April 1, 1964, the federal savings in respect of a province providing schooling allowances exceeds the federal revenue abatement in respect of that province for the taxation year ending in that fiscal year, the Minister of Finance may, out of the consolidated revenue fund, pay to that province in respect of that fiscal year an amount equal to the excess and where for a taxation year ending in any fiscal year commencing on or after April 1, 1964 the federal revenue abatement in respect of a province providing schooling allowances exceeds the federal savings in that fiscal year in respect of that province, the amount of the excess may be deducted from any payment to that province under the Federal-Provincial Fiscal Arrangements Act or under any subsequent act of the Parliament of Canada substituted therefor, or may be otherwise recovered as a debt due to Canada by that province. The abatement for the taxation year 1969 and the revised abatement for the taxation year 1968 in respect of the Province of Quebec exceeds the federal savings by $24 million which has been recovered from payments to the province under the Federal-Provincial Fiscal Arrangements Act; in 1968-69 the abatement for the taxation year 1968 exceeded the federal savings by $17 million and was recovered.

TABLE 17

(in millions of dollars)

Fiscal, Subsidy and Other Payments to Provinces	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Payments under the Federal-Provincial Fiscal Arrangements	751.2	644.3	106.9
Payments under the Established Programs (Interim Arrangements) Act	166.8	186.9	−20.1
Statutory subsidies	31.8	31.7	0.1
Transfer of certain public utility tax receipts	24.1	21.0	3.1
Federal-Provincial Fiscal Revision Act (youth allowances)	−23.7	−16.8	−6.9
	950.2	867.1	83.1

A summary of payments by provinces is given in the following table:

TABLE 18
(in millions of dollars)

Fiscal, Subsidy and Other Payments to Provinces	Fiscal year ended March 31, 1970 (estimated)					
	Payments under fiscal arrangements	Payments under Interim Arrangements Act	Statutory subsidies	Recovery under the Federal-Provincial Fiscal Revision Act (youth allowances)	Transfer of certain public utility tax receipts	Total
Newfoundland	86.5		9.7		1.3	97.5
Nova Scotia	92.7		2.1		2.0	96.8
Prince Edward Island	17.2		0.7		0.2	18.1
New Brunswick	84.4		1.8		0.1	86.3
Quebec	373.8	166.8	4.0	−23.7	3.1	524.0
Ontario	26.8		4.6		7.8	39.2
Manitoba	47.9		2.1		1.0	51.0
Saskatchewan	14.4		2.1		(1)	16.5
Alberta	7.5		3.0		7.7	18.2
British Columbia			1.7		0.7	2.4
Yukon and Northwest Territories					0.2	0.2
	751.2	166.8	31.8	−23.7	24.1	950.2

(1) Less than $50,000.

Municipal grants

Payments to municipalities and provinces in lieu of taxes on federal property are $50 million compared with $45 million in 1968-69.

Fisheries and Forestry

Expenditures for the Department of Fisheries and Forestry in the amount of $76 million are $3 million less than in 1968-69.

Fisheries management and development costs are $32 million compared with $37 million in 1968-69 and include $9 million for conservation and protection compared with $9 million in 1968-69 and $8 million for resource development compared with $8 million in 1968-69. The charge to expenditure to cover the losses in the fisheries prices support account is $2 million compared with $7 million in 1968-69.

TABLE 19

(in millions of dollars)

Fisheries and Forestry	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Fisheries management and development—			
Conservation and protection service	9.0	8.7	0.3
Resource development service	8.0	7.9	0.1
Fisheries prices support account—losses	2.0	6.5	−4.5
Grants, contributions and subsidies	2.0	4.1	−2.1
Inspection service	3.5	3.1	0.4
Industrial development service	3.0	2.9	0.1
Canadian share of the expenses of international commissions	1.5	1.3	0.2
Other	3.0	2.9	0.1
	32.0	*37.4*	*−5.4*
Fisheries Research Board of Canada	16.0	15.7	0.3
Forestry—			
Regional research and services	13.6	12.7	0.9
Research institutes	7.3	7.3	
Contributions to provinces	1.5	1.2	0.3
Other	1.6	1.6	
	24.0	*22.8*	*1.2*
Administration and general	4.0	3.1	0.9
	76.0	79.0	−3.0

The fisheries research board expenditures are expected to be $16 million, approximately the same as in 1968-69 and forestry expenditures are $24 million compared with $23 million in the previous year.

Governor General

Included in these expenditures are the salaries of the Governor General of Canada and the Lieutenant-Governors of the provinces and other expenses of these offices. Expenditures of $1 million are approximately the same as in 1968-69.

Indian Affairs and Northern Development

Expenditures of the Department of Indian Affairs and Northern Development at $304 million are $37 million higher than in 1968-69.

These expenditures include $185 million for the social program, $70 million for the development program and $42 million for the conservation program. Comparative amounts in 1968-69 were $142 million, $79 million and $42 million, respectively.

Expenditures for the social program consist of $97 million in respect of education ($69 million in 1968-69), $77 million for community affairs ($66 million in 1968-69) and $11 million for general administration ($7 million in 1968-69).

TABLE 20

(in millions of dollars)

Indian Affairs and Northern Development	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Social program—			
Education	97.0	69.0	28.0
Community affairs	77.0	66.3	10.7
Administration and general	11.0	6.6	4.4
	185.0	*141.9*	*43.1*
Development program—			
Northern economic development	17.9	23.5	−5.6
Indian and Eskimo economic development	12.5	16.6	−4.1
Territorial governments	17.4	23.5	−6.1
Payments to the Governments of the Yukon and Northwest Territories	17.0	11.8	5.2
Northern mineral assistance grants	5.2	4.1	1.1
	70.0	*79.5*	*−9.5*
Conservation program—			
National parks	27.0	26.2	0.8
Historic sides	7.0	7.0	
Canadian wildlife service	5.0	5.5	−0.5
Administration and general	3.0	3.4	−0.4
	42.0	*42.1*	*−0.1*
Administration and general	7.0	3.5	3.5
	304.0	267.0	37.0

Expenditures for the development program consist of $18 million for northern economic development ($23 million in 1968-69), $13 million for Indian and Eskimo economic development ($16 million in 1968-69), $17 million in respect of territorial governments ($23 million in 1968-69), $17 million in payments to the Governments of the Northwest Territories and the Yukon Territory ($12 million in 1968-69) and $5 million for northern mineral assistance grants ($4 million in 1968-69).

Expenditures for the conservation program consist of $27 million in respect of national parks ($26 million in 1968-69), $7 million for historic sites (the same as in 1968-69), $5 million for wildlife services ($6 million in 1968-69) and $3 million for general administration (approximately the same as in 1968-69).

Industry, Trade and Commerce

Expenditures of this department, including those of the Dominion Bureau of Statistics, in the amount of $294 million are $90 million higher than the 1968-69 total.

TABLE 21

(in millions of dollars)

Industry, Trade and Commerce	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Trade and industrial development—			
Administration and operations—			
Trade and industry services	6.8	3.3	3.5
External services	13.8	12.4	1.4
Operations	9.0	7.7	1.3
Other	4.4	4.2	0.2
	34.0	*27.6*	*6.4*
Grants—			
Technological capability (defence)	34.0	29.6	4.4
Technological capability (non-defence)	5.3	4.3	1.0
Construction of commercial and fishing vessels	15.0	22.3	−7.3
Other	1.0	1.0	
	55.3	*57.2*	*−1.9*
General incentives to industry for the expansion of scientific research and development in Canada	20.0	19.6	0.4
	109.3	104.4	4.9
Tourism development	10.1	10.1	
World exhibitions	3.9	2.4	1.5
Carrying costs of temporary wheat reserves	66.3	48.9	17.4
Prairie Grain Advance Payments Act	12.0	2.6	9.4
Payments to the Canadian Wheat Board	55.0	7.1	47.9
Administration and general	5.4	3.7	1.7
	262.0	179.2	82.8
Dominion Bureau of Statistics	32.0	24.7	7.3
	294.0	203.9	90.1

Expenditures of $109 million in respect of trade and industrial development include $55 million for grants, $34 million for administration and operation and $20 million for general incentives to industry for the expansion of scientific research and development in Canada. In 1968-69 comparative expenditures of $104 million included $57 million for grants, $28 million for administration and operation and $19 million for general incentives to industry.

Payments of $133 million in respect of grains are $75 million higher than in the previous year.

Dominion Bureau of Statistics expenditures of $32 million are $7 million higher than in 1968-69.

Justice

Expenditures of the Department of Justice are $20 million compared with $17 million in 1968-69.

Judges salaries, travelling allowances and pensions are $13 million compared with $12 million in 1968-69 and administration and general costs are $7 million compared with $5 million in 1968-69.

TABLE 22

(in millions of dollars)

JUSTICE	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Judges salaries, travelling allowances and pensions	13.0	12.4	0.6
Administration and general	7.0	4.5	2.5
	20.0	16.9	3.1

Labour

Expenditures of the Department of Labour including the Unemployment Insurance Commission are $158 million compared with $137 million in 1968-69.

TABLE 23

(in millions of dollars)

LABOUR	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Unemployment Insurance Commission—			
Government's contribution to the unemployment insurance fund	100.0	86.6	13.4
Administration of the Unemployment Insurance Act	45.0	38.8	6.2
	145.0	*125.4*	*19.6*
Department	13.0	11.2	1.8
	158.0	136.6	21.4

Expenditures in respect of the unemployment insurance commission in the amount of $145 million include the government's contribution of $100 million to the fund and $45 million for administration costs. In 1968-69 comparative amounts were $86 million and $39 million respectively.

Other expenditures of the department total $13 million compared with $11 million in 1968-69.

Manpower and Immigration

Expenditures of the Department of Manpower and Immigration at $455 million are $39 million more than in 1968-69.

Development and utilization of manpower is $410 million compared with $378 million in the previous fiscal year. The main items are $252 million for the adult occupational training program, $61 million more than in 1968-69; $97 million for capital assistance in the provision of training facilities, $9 million less than in 1968-69; $39 million for employment services, $2 million more than in 1968-69 and outlays for the municipal winter works program are $400 thousand compared with $22 million in 1968-69.

Outlays for immigration are $26 million compared with $29 million in 1968-69 and costs of program development are $6 million compared with $4 million.

TABLE 24

(in millions of dollars)

Manpower and Immigration	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Development and utilization of manpower—			
Adult occupational training program	252.0	191.1	60.9
Capital assistance in the provision of training facilities	97.0	105.9	−8.9
Employment services	39.0	37.4	1.6
Municipal winter works incentive program	0.4	21.5	−21.1
Other	21.6	21.6	
	410.0	*377.5*	*32.5*
Immigration	26.4	29.4	−3.0
Program development	6.4	4.4	2.0
Immigration appeal board	0.7	0.5	0.2
Administration and general	11.5	4.3	7.2
	455.0	416.1	38.9

National Defence

Expenditures of the Department of National Defence in the amount of $1,785 million for 1969-70 are $24 million more than the total of $1,761 million for 1968-69.

TABLE 25

(in millions of dollars)

National Defence	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Defence services—			
Administration, operation and maintenance	1,293.2	1,226.8	66.4
Construction or acquisition of buildings, works, land and major equipment	225.7	261.1	−35.4
Development	14.5	18.2	−3.7
Grant to Town of Oromocto, N.B.	0.7	1.6	−0.9
	1,534.1	*1,507.7*	*26.4*
Pensions and other benefits—			
Canadian forces superannuation account—			
Government's contributions	63.1	57.0	6.1
Amortization of deferred charges	92.9	104.5	−11.6
Government's contribution as an employer to the Canada pension plan and the Quebec pension plan	8.3	7.7	0.6
Payments under Parts I-IV of the Defence Services Pension Continuation Act	9.6	9.2	0.4
Other	0.4	0.4	
	174.3	*178.8*	*−4.5*
Defence Research	47.4	44.1	3.3
Mutual aid to NATO countries including contributions towards military costs of NATO	14.2	15.3	−1.1
Canada Emergency Measures Organization	5.0	6.3	−1.3
Defence Construction (1951) Limited	2.2	2.3	−0.1
Administration and general	7.8	6.3	1.5
	1,785.0	1,760.8	24.2

Expenditures of $1,534 million for defence services include $1,293 million for administration, operation and maintenance, $226 million for construction or acquisition of buildings, works, land and major equipment and $15 million for development. In 1968-69 expenditure of $1,508 million included $1,227 million for operation and maintenance, $261 million for construction or acquisition and $18 million for development.

Expenditures for pensions and other benefits are $174 million and include $156 million in respect of the Canadian forces superannuation account, $8 million for the government's contribution as an employer to the Canada pension plan and the Quebec pension plan and $10 million in payments under Parts I–IV of the Defence Services Pension Continuation Act. In 1968-69 expenditures totalled $179 million of which $161 million was in respect of the superannuation account, $8 million for the government's contribution as an employer to the Canada pension plan and the Quebec pension plan and $9 million for payments under Parts I–IV of the Defence Services Pension Continuation Act.

The government's contribution to the Canadian forces superannuation account, of an amount equal to $1\frac{2}{3}$ times the contributions of the permanent services personnel for the first quarter of 1969-70 and at $1\frac{4}{5}$ times commencing with the second quarter, was $63 million compared with $57 million in 1968-69. An amount of $93 million, in respect of the actuarial deficiency arising out of pay increases was also charged to budgetary expenditure in 1969-70.

Defence research costs of $47 million are $3 million more than in 1968-69.

Mutual aid to NATO countries including contributions towards military costs of NATO at $14 million are $1 million less than 1968-69.

Expenditures in respect of the Canada Emergency Measures Organization are $5 million, a decrease of $1 million from the previous fiscal year.

National Health and Welfare

Expenditures of the Department of National Health and Welfare including the Medical Research Council are $1,950 million compared with $1,669 million in 1968-69.

Outlays for welfare services amount to $938 million compared with $901 million in 1968-69; outlays for health insurance and resources are $913 million compared with $674 million; outlays for medical services are $43 million compared with $45 million; and outlays in respect of the medical research council are $31 million compared with $27 million.

TABLE 26

(in millions of dollars)

National Health and Welfare	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Welfare services—			
Family allowances	560.4	560.2	0.2
Family assistance	2.9	3.5	−0.6
Youth allowances	55.1	52.4	2.7
Canada assistance plan—payments to provinces	295.3	257.9	37.4
Disabled persons allowances	4.0	6.4	−2.4
Old age assistance	0.9	3.4	−2.5
Blind persons allowances	1.5	2.0	−0.5
Fitness and amateur sport	5.0	4.0	1.0
National welfare grants	2.0	2.0	
Other	11.0	8.9	2.1
	938.1	*900.7*	*37.4*
Health insurance and resources—			
Hospital Insurance and Diagnostic Services Act	625.0	561.9	63.1
Medical Care Act	180.9	33.0	147.9
Health resources fund	37.0	33.9	3.1
Grants to provinces—			
General health	23.7	30.0	−6.3
Hospital construction	44.2	14.0	30.2
Other	2.0	1.6	0.4
	912.8	*674.4*	*238.4*
Medical services	42.6	45.4	−2.8
Health services	8.5	7.7	0.8
Food and drug services	12.0	9.1	2.9
Administration and general	5.0	4.2	0.8
	1,919.0	1,641.5	277.5
Medical Research Council	31.0	27.2	3.8
	1,950.0	1,668.7	281.3

(1) Less than $50,000.

Family allowances, family assistance and youth allowances

These expenditures total $618 million of which $560 million is family allowances, $55 million is youth allowances and $3 million is family assistance. In 1968-69 the total was $616 million of which $560 million was family allowances, $52 million was youth allowances and $4 million was family assistance.

Family allowances are payable in respect of all children under sixteen years of age, resident in Canada, with minor exceptions such as in the case of children of immigrants who must reside in Canada one year before family allowance is payable. The monthly allowance is $6 if the child is under 10 years of age and $8 in the age group 10 to 15.

Family assistance is payable at the same rates to children of immigrants and settlers during their first year of residence in Canada.

Youth allowances are payable at the rate of $10 per month in respect of persons resident in Canada who have attained the age of 16 years and have not attained the age of 18 years and who are in full-time attendance at a school or university or are by reason of mental or physical infirmity precluded from attend-

ing school or university. No payments were made in respect of persons resident in the Province of Quebec. However, under authority of the Federal-Provincial Fiscal Revision Act, 1964, abatements in federal income tax otherwise payable by individuals resident in that province were allowed in compensation of the fact that the payment of youth allowances had been assumed by the province and to allow for the imposition of the required provincial income taxes.

TABLE 27

(in millions of dollars)

Family Allowances, Family Assistance and Youth Allowances Payments	Fiscal year ending March 31, 1970 (estimated)			
	Family allowances	Family assistance	Youth allowances	Total
Newfoundland	17.0	(1)	2.0	19.0
Nova Scotia	21.2	(1)	2.9	24.1
Prince Edward Island	3.1	(1)	0.4	3.5
New Brunswick	18.2	(1)	2.6	20.8
Quebec	162.0	0.5		162.5
Ontario	190.2	1.5	26.8	218.5
Manitoba	25.3	0.2	3.6	29.1
Saskatchewan	26.3	0.1	3.8	30.2
Alberta	44.3	0.2	5.8	50.3
British Columbia	51.3	0.4	7.1	58.8
Northwest and Yukon Territories	1.5		0.1	1.6
	560.4	2.9	55.1	618.4

(1) Less than $50,000.

Canada assistance plan

Payments to provinces under the Canada assistance plan totalled $295 million compared with $258 million in 1968-69. The Canada Assistance Plan Act which was enacted in 1966 authorized the federal government to enter into agreements with the provinces for sharing the costs of assistance and welfare services provided by the provinces, territories and municipalities to persons in need, including the costs of food, shelter, clothing, fuel and utilities, essential household supplies, expenses incidental to a trade, care in a home for special care, travel and transportation, funerals and burials, health care services, prescribed welfare services including rehabilitation, and comfort allowances. The rate of federal contribution is 50 per cent of the shareable costs; the rates of assistance granted and the specific conditions of eligibility applied are determined by the provinces and their municipalities and take into account the budgetary requirements as well as the income and resources of the applicants. Contributions under this plan have replaced certain contributions which formerly had been made under the Old Age Assistance Act, the Disabled Persons Act, the Blind Persons Act and the Unemployment Assistance Act.

Under federal-provincial agreement the Province of Quebec has opted out of this program.

TABLE 28

(in millions of dollars)

Canada Assistance Plan	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Newfoundland	20.7	21.1	− 0.4
Nova Scotia	14.8	11.1	3.7
Prince Edward Island	2.9	2.6	0.3
New Brunswick	10.4	9.9	0.5
Ontario	132.7	118.9	13.8
Manitoba	20.9	14.0	6.9
Saskatchewan	15.0	14.1	0.9
Alberta	30.0	28.8	1.2
British Columbia	47.1	37.2	9.9
Northwest and Yukon Territories	0.8	0.2	0.6
	295.3	257.9	37.4

Old age assistance, disabled persons allowances and blind persons allowances

Contributions to the provinces for old age assistance total $1 million in 1969-70 compared with $3 million in 1968-69, for disabled persons allowances $4 million compared with $6 million and for blind persons allowances $1 million compared with $2 million.

The decreases noted above are due mainly to the fact that certain contributions to the provinces which in prior years were made under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act are now being made under the Canada assistance plan. The decrease in old age assistance payments was also due to the lowering of the age limit for old age security benefits.

Under the Old Age Assistance Act, the federal government reimburses the provinces by paying 50 per cent of the lesser of $75 monthly or the amount of assistance given by the provinces in the form of monthly pensions to eligible persons in need who have attained the age of 65 years. (Under the Old Age Security Act, all persons who satisfy the residence requirements of the act may receive a pension of $79.58 ($75 up to January 1, 1968, $76.50 to January 1, 1969, and $78 to January 1, 1970) per month from the federal government out of the old age security fund provided that no pension is paid in any month before January 1966 in which the person had not attained 70 years of age, the age limit being reduced by one in each subsequent year until 1970. An amendment to the Old Age Security Act authorizes the payment of a monthly guaranteed income supplement to eligible pensioners. The amount of the supplement that may be paid to a pensioner for a month is (a) in the year 1967, $30 and (b) in any year after 1967, 40 per cent of the amount of the pension that may be paid to him for that month, dependent upon the amount of his income for the preceding year.)

Similarly, the federal government reimburses the provinces under the Blind Persons Act for allowances of not more than $75 per month to blind persons in need 18 years of age or over by paying 75 per cent of the total payments, and under the Disabled Persons Act by paying 50 per cent of not more than $75 per month for allowances to disabled persons in need 18 years of age or over.

Hospital Insurance and Diagnostic Services Act

Contributions of $625 million to the provinces in 1969-70 under this act are $63 million more than in 1968-69. Under federal-provincial agreement the Province of Quebec has opted out of this program.

TABLE 29

(in millions of dollars)

Government's Contributions under the Hospital Insurance and Diagnostic Services Act	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Newfoundland	21.0	19.0	2.0
Nova Scotia	32.0	28.2	3.8
Prince Edward Island	4.1	3.7	0.4
New Brunswick	25.2	22.7	2.5
Ontario	317.7	284.7	33.0
Manitoba	38.8	35.5	3.3
Saskatchewan	39.6	33.0	6.6
Alberta	67.3	61.6	5.7
British Columbia	77.7	71.9	5.8
Northwest and Yukon Territories	1.6	1.6	
	625.0	561.9	63.1

Medical Care Act

The Medical Care Act authorizes the payment of contributions by Canada towards the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

The Provinces of Saskatchewan and British Columbia became participating provinces effective July 1, 1968, Nova Scotia, Newfoundland and Manitoba effective April 1, 1969, Alberta effective July 1, 1969 and Ontario effective October 1, 1969.

Payments of $181 million in 1969-70 are $148 million higher than in 1968-69.

TABLE 30

(in millions of dollars)

Contributions to Provinces under the Medical Care Act	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Newfoundland	9.4		9.4
Nova Scotia	13.7		13.7
Ontario	65.0		65.0
Manitoba	17.8		17.8
Saskatchewan	17.7	11.3	6.4
Alberta	21.2	21.7	− 0.5
British Columbia	36.1		36.1
	180.9	33.0	147.9

Health resources fund

The Health Resources Fund Act provides for the establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

Expenditures in 1969-70 amount to $37 million compared with $34 million in the previous fiscal year.

TABLE 31

(in millions of dollars)

Contributions to Provinces under the Health Resources Fund Act	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Newfoundland	0.9	0.1	0.8
Nova Scotia	3.3	3.6	— 0.3
Prince Edward Island	0.2	0.1	0.1
New Brunswick	1.4	1.3	0.1
Quebec	10.1	9.7	0.4
Ontario	12.0	14.8	— 2.8
Manitoba	1.7	0.2	1.5
Saskatchewan	1.7	0.1	1.6
Alberta	2.5	2.5	
British Columbia	3.2	1.5	1.7
	37.0	33.9	3.1

General health grants and hospital construction grants to provinces

Grants to provinces for general health services total $24 million compared with $30 million in 1968-69 and for hospital construction they total $44 million compared with $14 million. Under federal-provincial agreement the Province of Quebec has opted out of a portion of this program.

TABLE 32

(in millions of dollars)

General Health Grants and Hospital Construction Grants	Fiscal year ending March 31, 1970 (estimated)		
	General health grants	General construction grants	Total
Newfoundland	0.8	0.9	1.7
Nova Scotia	1.3	1.4	2.7
Prince Edward Island	0.3	0.2	0.5
New Brunswick	0.9	3.2	4.1
Quebec	2.1	19.6	21.7
Ontario	9.5	7.6	17.1
Manitoba	1.7	2.4	4.1
Saskatchewan	1.7	2.2	3.9
Alberta	2.1	1.5	3.6
British Columbia	3.2	4.8	8.0
Northwest and Yukon Territories	0.1	0.4	0.5
	23.7	44.2	67.9

National Revenue

Expenditures of the Department of National Revenue are $143 million, an increase of $23 million over the 1968-69 total of $120 million.

Outlays of $69 million in respect of the collection of customs import duties, excise taxes and excise duties are $9 million higher and outlays of $74 million in respect of taxation are $14 million higher than in 1968-69.

TABLE 33

(in millions of dollars)

National Revenue	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Customs and excise	68.8	59.5	9.3
Taxation	73.9	60.2	13.7
Income tax appeal board	0.3	0.3	
	143.0	120.0	23.0

Parliament

Costs of Parliament in the amount of $22 million are $3 million higher than in 1968-69.

TABLE 34

(in millions of dollars)

Parliament	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
House of Commons	16.9	14.3	2.6
The Senate	4.4	3.6	0.8
Library of Parliament	0.7	0.7	
	22.0	18.6	3.4

Privy Council

Expenditures for Privy Council, including the Economic Council of Canada, the Public Service Staff Relations Board and the Science Council of Canada, at $11 million are $2 million higher than in 1968-69.

TABLE 35

(in millions of dollars)

Privy Council	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Administration and general	6.7	6.3	0.4
Economic Council of Canada	1.6	1.5	0.1
Public Service Staff Relations Board	1.4	1.1	0.3
Science Council of Canada	1.3	0.4	0.9
	11.0	9.3	1.7

Public Works

Expenditures in 1969-70 are $298 million compared with $285 million in 1968-69.

TABLE 36

(in millions of dollars)

Public Works	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Accommodation services—			
Maintenance and operation of public buildings and grounds—			
National capital region	44.0	40.4	3.6
Other than national capital region	64.0	56.6	7.4
Acquisition of equipment and furnishings other than office furnishings	1.5	1.4	0.1
Construction, acquisition, major repairs, etc. of public buildings—			
Ottawa	45.0	40.1	4.9
Other than Ottawa	34.5	30.2	4.3
	189.0	*168.7*	*20.3*
Roads, bridges and other engineering services—			
Operation and maintenance	7.0	7.1	−0.1
Construction, acquisition, major repairs and improvements of, and plans and sites for, roads, bridges and other engineering works	10.0	9.2	0.8
Trans-Canada highway—			
Contributions to provinces under terms of the Trans-Canada Highway Act	35.0	37.3	−2.3
Construction through national parks		0.1	−0.1
	52.0	*53.7*	*−1.7*
Harbours and rivers engineering services—			
Operation and maintenance	8.0	8.6	−0.6
Construction or acquisition of equipment	0.2	0.6	−0.4
Construction, acquisition, major repairs, etc. of harbour and river works	23.6	22.1	1.5
Dry dock subsidies	0.2	0.2	
	32.0	*31.5*	*0.5*
Canadian Government Exhibition Commission	1.0	4.8	−3.8
Testing laboratories	1.0	1.1	−0.1
Administration and general	23.0	25.0	−2.0
	298.0	284.8	13.2

Accommodation services

Expenditures for these services are $189 million, $20 million higher than the 1968-69 total.

Costs of maintenance and operation of public buildings and grounds are $108 million compared with $97 million in the previous year, costs of construction, acquisition, major repairs, etc. of public buildings are $80 million compared with $70 million in 1968-69, and costs of acquisition of equipment and furnishings other than office furnishings are $1 million, the same as in 1968-69.

Roads, bridges and other engineering services

Expenditures for these services are $52 million, $2 million less than in 1968-69. Contributions of $35 million to provinces in respect of the Trans-Canada highway are $2 million less than in 1968-69.

Harbours and rivers engineering services

Expenditures for these services in the amount of $32 million are $1 million more than in 1968-69.

Canadian Government Exhibition Commission

Expenditures of this commission are $1 million compared with $5 million in 1968-69.

Regional Economic Expansion

Expenditures for the Department of Regional Economic Expansion, including those for the National Capital Commission and the Cape Breton Development Corporation, total $221 million compared with $181 million in 1968-69.

The increase of $40 million is due mainly to higher expenditures for incentives to industry for the development of employment opportunities and to higher payments to provinces in accordance with development programs.

TABLE 37

(in millions of dollars)

Regional Economic Expansion	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Grants and contributions—			
Agricultural and Rural Development Act	22.0	32.5	−10.5
Development agreements with the provinces	30.0	9.5	20.5
Payments to provinces re industrial research	21.0	20.8	0.2
Incentives to industry for the development of employment	49.0	14.6	34.4
Other	14.0	4.4	9.6
	136.0	*81.8*	*54.2*
Irrigation and water storage projects	10.0	10.1	−0.1
Federal share of the cost of a trunk highway system	8.1	16.9	−8.8
Administration and general	12.9	16.9	−4.0
	167.0	125.7	41.3
National Capital Commission	20.5	25.0	−4.5
Cape Breton Development Corporation	33.5	30.1	3.4
	221.0	180.8	40.2

Secretary of State

Included under this heading are expenditures of the Department of the Secretary of State and those in respect of the Canada Council, the Canadian Broadcasting Corporation, the Canadian Film Development Corporation, the Canadian Radio-Television Commission, the Office of the Chief Electoral Officer, the Company of Young Canadians, the National Arts Centre Corporation, the National Film Board, the National Library, the National Museums of Canada, Public Archives, the Public Service Commission and the Office of the Representation Commissioner.

Expenditures total $542 million compared with $523 million in 1968-69.

TABLE 38

(in millions of dollars)

Secretary of State	Fiscal year ending March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Post-secondary education payments to provinces	287.0	276.6	10.4
Construction or acquisition of buildings, works, land and equipment—National Arts Centre		13.6	—13.6
Citizenship	5.0	4.4	0.6
Translation bureau	6.0	4.6	1.4
Administration and general	4.6 *302.6*	1.9 *301.1*	2.7 *1.5*
Canada Council	24.5	20.6	3.9
Canadian Broadcasting Corporation	166.5	148.3	18.2
Canadian Film Development Corporation	0.3	0.2	0.1
Canadian Radio-Television Commission	2.2	1.9	0.3
Office of the Chief Electoral Officer	1.0	13.5	—12.5
Company of Young Canadians	2.0	1.9	0.1
National Arts Centre Corporation	2.1	1.1	1.0
National Film Board	11.1	10.0	1.1
National Library	2.1	1.7	0.4
National Museums of Canada	7.4	7.1	0.3
Public Archives	4.1	2.2	1.9
Public Service Commission	16.0	12.9	3.1
Office of the Representation Commissioner	0.1	0.1	
	542.0	522.6	19.4

Post-secondary education payments to provinces of $287 million are $10 million higher than in 1968-69 and expenditures in respect of the Canadian Broadcasting Corporation at $167 million are $18 million higher.

Solicitor General

Expenditures of the Department of the Solicitor General including those of the Royal Canadian Mounted Police in the amount of $178 million are $10 million more than the previous year's total. There are increases of $7 million in respect of the Royal Canadian Mounted Police and $3 million in respect of correctional services.

TABLE 39
(in millions of dollars)

Solicitor General	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Royal Canadian Mounted Police—			
National police services, federal law enforcement duties and provincial and municipal policing under contract—			
Administration, operation and maintenance	78.0	74.2	3.8
Construction or acquisition of buildings, works, land and equipment	6.6	6.2	0.4
Pensions and other benefits—			
Pensions	6.0	5.9	0.1
Royal Canadian Mounted Police superannuation account—			
Government's contribution	7.0	6.6	0.4
Amortization of deferred charges	10.4	7.8	2.6
Other	1.0	1.0	
	109.0	*101.7*	*7.3*
Correctional services—			
Administration of the Canadian penitentiary service	1.3	1.3	
Operation and maintenance of penitentiaries	47.6	46.0	1.6
Parole Act administration	2.0	2.0	
Construction or acquisition of buildings, works, land and equipment	15.0	13.8	1.2
	65.9	*63.1*	*2.8*
Office of the Solicitor General	1.1	1.1	
	176.0	165.9	10.1

Royal Canadian Mounted Police

Gross expenditures are $145 million in 1969-70 but receipts of $36 million arising from services provided by those expenditures will bring the net amount charged to budgetary expenditure to $109 million.

In 1968-69 gross expenditures were $135 million and receipts were $33 million resulting in a charge of $102 million to budgetary expenditures.

Correctional services

Expenditures in respect of these services at $66 million are $3 million more than in 1968-69 and include outlays of $48 million for operation and maintenance of penitentiaries compared with $46 million in 1968-69 and $15 million for construction or acquisition of buildings, works, land and equipment compared with $14 million in the previous fiscal year.

Supply and Services

Expenditures for this department in the amount of $80 million are $14 million higher than in 1968-69 due mainly to increases of $6 million for the services component of the department and $6 million for the supply component of the department, the latter for the reimbursement of the revolving fund for losses sustained therein.

TABLE 40

(in millions of dollars)

Supply and Services	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Services—			
Central office and branch office administration	37.5	31.9	5.6
Superannuation and Retirement Acts administration	1.0	1.1	−0.1
Management advisory services	1.0	0.8	0.2
Other	0.1	0.1	
	39.6	*33.9*	*5.7*
Supply—			
Administration	21.8	21.5	0.3
Revolving fund	5.7		5.7
	27.5	*21.5*	*6.0*
Public Printing and Stationery	4.0	3.5	0.5
Canadian Commercial Corporation	3.5	2.1	1.4
Canadian Arsenals Limited	0.2	0.3	−0.1
Administration and general	5.2	4.4	0.8
	80.0	65.7	14.3

Transport

Expenditures of the Department of Transport including those in respect of the Central Mortgage and Housing Corporation, the Canadian National Railways, the Canadian Transport Commission, the National Harbours Board and the St. Lawrence Seaway Authority in the amount of $514 million are $6 million higher than in 1968-69.

TABLE 41

(in millions of dollars)

Transport	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Marine services—			
Administration, operation and maintenance	65.5	50.1	15.4
Construction or acquisition	31.5	41.4	− 9.9
	97.0	*91.5*	*5.5*
Railways and steamships—			
Maritime Freight Rates Act	14.5	13.9	0.6
Construction or acquisition	11.0	10.1	0.9
Railway to Great Slave Lake		1.1	− 1.1
Victoria bridge	0.9	0.9	
Operating deficits—			
Newfoundland ferry and terminals	16.0	16.7	− 0.7
Prince Edward Island car ferry and terminals	5.0	5.0	
Yarmouth, N.S.-Bar Harbour, Maine, U.S.A. ferry service	0.6	0.3	0.3
Railway employees' provident fund—deficit	6.5	6.5	
Other	0.5	0.5	
	55.0	*55.0*	
Air services—			
Administration, operation and maintenance	106.5	87.9	18.6
Construction or acquisition	36.0	59.1	−23.1
Grants, contributions, subsidies and other payments	3.5	3.3	0.2
	146.0	*150.3*	*− 4.3*
Administration and general	8.0	7.9	0.1
	306.0	304.7	1.3
Canadian National Railways deficit	25.0	29.2	− 4.2
Canadian Transport Commission—			
Payments under the National Transportation Act	83.5	93.7	−10.2
Contributions to the railway grade crossing fund	15.0	15.0	
Steamship subventions	12.4	12.2	0.2
Payments under the Atlantic Region Freight Assistance Act	4.5		4.5
Subsidies to air carriers	3.0	1.3	1.7
Administration and general	4.6	4.2	0.4
	123.0	*126.4*	*− 3.4*
Central Mortgage and Housing Corporation—			
Urban renewal	19.0	15.1	3.9
Loans forgiven by the corporation	9.0	6.1	2.9
Losses sustained on federal-provincial projects	7.9	4.4	3.5
Housing research and community planning	6.1	4.2	1.9
	42.0	*29.8*	*12.2*
National Harbours Board	8.0	6.6	1.4
The St. Lawrence Seaway Authority—			
Welland canal deficit	8.0	9.0	− 1.0
Other operating deficits and capital requirements	2.0	2.4	− 0.4
	10.0	*11.4*	*− 1.4*
	514.0	508.1	5.9

Marine services

Net expenditures are $97 million, $6 million more than in 1968-69 and include $66 million for administration, operation and maintenance compared with $50 million in 1968-69 and $32 million for construction or acquisition compared with $41 million in the previous year.

Railways and steamships

These expenditures total $55 million compared with $55 million in 1968-69. Payments under the Maritime Freight Rates Act are $15 million compared with $14 million in 1968-69 and payments for operating deficits are $22 million in each fical year.

Air services

Expenditures of $146 million are $4 million less than in 1968-69 and include $107 million for administration, operation and maintenance compared with $88 million in 1968-69 and $36 million for construction or acquisition compared with $59 million.

Canadian National Railways

The 1969 operating deficit of the Canadian National Railways of $25 million is $4 million less than the 1968 deficit charged to budgetary expenditure in 1968-69.

Canadian Transport Commission

Expenditures of the Canadian Transport Commission at $123 million are $3 million less than in 1968-69. Payments to railway and transportation companies pursuant to the National Transportation Act total $84 million compared with $94 million in 1968-69.

Central Mortgage and Housing Corporation

Budgetary expenditure of the government in respect of Central Mortgage and Housing Corporation is $42 million compared with $30 million in 1968-69. Urban renewal at $19 million accounted for $4 million of the increase, losses sustained on federal-provincial projects accounted for $4 million of the increase and loans forgiven by the corporation for $3 million of the increase over 1968-69 figures.

National Harbours Board

Non-active advances to the board to be charged to budgetary expenditure are $8 million compared with $7 million in 1968-69. Net increases reflect additional expenditures for reconstruction and capital expenditures of the Halifax, Churchill and Quebec harbours.

The St. Lawrence Seaway Authority

Budgetary expenditures in respect of The St. Lawrence Seaway Authority are $10 million, $1 million less than in 1968-69. The 1969 operating deficit of the Welland canal, charged to budgetary expenditure, is $8 million compared with the 1968 deficit of $9 million charged in 1968-69 and other operating deficits and capital requirements totalled $2 million in each fiscal year.

Treasury Board

Expenditures of the Treasury Board, including the National Research Council, are $381 million compared with $432 million in 1968-69.

Public service superannuation account

The government's contribution to the public service superannuation account, in an amount equal to the estimated current and prior service payments of individuals in 1968-69, is $74 million compared with $66 million in 1968-69.

A further amount of $102 million, to cover the annual amortization charge in respect of the actuarial deficiencies arising out of pay increases and the actuarial deficiency revealed by the quinquennial evaluation made as at December 31, 1967, will be charged to budgetary expenditure. In 1968-69 amortization charged to budgetary expenditure was $85 million.

Reserve for salary revisions

An amount of $35 million is included in budgetary expenditures and will be credited to the liability account "reserve for salary revisions" to cover salary revisions in respect of 1969-70 and prior fiscal years.

Canada's contributions as an employer

These contributions total $41 million, $6 million more than in 1968-69. The main items are $22 million to the Canada and Quebec pension plans compared with $18 million in the previous year and $15 million in respect of surgical-medical insurance premiums compared with $13 million in 1968-69.

TABLE 42

(in millions of dollars)

Treasury Board	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Public service superannuation account—			
Government's contribution	73.5	66.0	7.5
Amortization of deferred charges	102.0	84.8	17.2
	175.5	*150.8*	*24.7*
Reserve for salary revisions	35.0	120.5	−85.5
Government's contributions as an employer—			
Canada pension plan and the Quebec pension plan	21.8	18.0	3.8
Unemployment insurance fund	1.7	1.7	
Death benefit account	1.7	1.7	
Pension plans for employees engaged locally outside Canada	0.1	0.1	
Hospital insurance (outside Canada) plan	0.4		0.4
Government's share of surgical-medical insurance premiums	14.8	13.1	1.7
	40.5	*34.6*	*5.9*
Payments under Public Service Pension Adjustment Act	1.8	1.8	
Administration and general	6.2	6.7	− 0.5
	259.0	314.4	−55.4
National Research Council—			
Scholarships and grants in aid of research	60.0	59.0	1.0
Construction or acquisition of buildings, works, land and equipment	6.0	5.2	0.8
Assistance towards research in industry	6.0	6.1	−0.1
Administration, operation and maintenance	50.0	47.5	2.5
	122.0	*117.8*	*4.2*
	381.0	432.2	−51.2

National Research Council

Expenditures of the National Research Council at $122 million are $4 million more than in 1968-69.

Outlays for scholarships and grants in aid of research at $60 million are $1 million higher than in the previous year and costs of administration, operation and maintenance at $50 million are $3 million more than in 1968-69.

Veterans Affairs

Expenditures of the Department of Veterans Affairs total $424 million compared with $428 million in the previous fiscal year.

Welfare services, allowances and other benefits at $113 million are slightly less than in 1968-69, pensions for disability and death at $220 million are $3 million less and costs of $71 million for treatment services are $1 million less than in the previous fiscal year.

TABLE 43

(in millions of dollars)

Veterans Affairs	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Pensions—			
Disability and death	220.0	223.3	−3.3
Administration and general	3.2	3.1	0.1
	223.2	*226.4*	*−3.2*
Welfare services, allowances and other benefits—			
War veterans allowances and civilian allowances	95.0	95.5	−0.5
Assistance under provisions of the Assistance Fund (War Veterans Allowances) Regulations	7.0	6.9	0.1
Other benefits	3.2	3.2	
Administration and general	7.3	7.3	
	112.5	*112.9*	*−0.4*
Treatment services	71.0	71.6	−0.6
Soldier settlement and veterans land act—			
Provision for reserve for conditional benefits	4.3	4.3	
Administration and general	6.0	5.3	0.7
	10.3	*9.6*	*0.7*
Administration and general	7.0	7.1	−0.1
	424.0	427.6	−3.6

ASSET AND LIABILITY ACCOUNTS

The government's asset and liability account balances at March 31, 1970 as now estimated, the balances at March 31, 1969 and the net increases or decreases during 1969-70 are summarized in the following table:

TABLE 44

(in millions of dollars)

—	Balance at March 31		Increase or decrease (—)
	1970 (estimated)	1969	
LIABILITIES			
Current and demand liabilities	2,322.0	2,219.1	102.9
Deposit and trust accounts	501.8	511.8	−10.0
Annuity, insurance and pension accounts	12,218.3	10,520.1	1,698.2
Undisbursed balances of appropriations to special accounts	127.5	235.5	−108.0
Refundable corporation tax	26.8	140.8	−114.0
Provision for compound interest on Canada savings bonds	20.4	12.4	8.0
Deferred credits	183.4	174.3	9.1
Suspense accounts	4.2	4.2	
Unmatured debt	22,613.6	22,101.0	512.6
Total liabilities	38,018.0	35,919.2	2,098.8
ASSETS			
Current assets	1,370.4	981.4	389.0
Departmental working capital advances	202.9	188.9	14.0
Cash in blocked currency	1.7	1.9	−0.2
Advances to the exchange fund account	2,996.4	2,867.0	129.4
Investments in United States dollar securities issued by other than the Government of Canada	58.0	90.3	−32.3
Canada pension plan investment fund	2,824.1	2,022.9	801.2
Investments held for the retirement of unmatured debt	6.4	6.4	
Loans to, and investments in, Crown corporations	9,635.8	8,767.8	868.0
Loans to national governments	1,333.2	1,269.2	64.0
Other loans and investments	2,246.0	2,114.3	131.7
Securities held in trust	129.5	111.5	18.0
Deferred charges	784.4	613.4	171.0
Capital assets	(1)	(1)	
Inactive loans and investments	94.8	94.8	
Total recorded assets	21,683.6	19,129.8	2,553.8
Less reserve for losses on realization of assets	−546.4	−546.4	
Net recorded assets	21,137.2	18,583.4	2,553.8
Net debt represented by excess of liabilities over net recorded assets	16,880.8	17,335.8	(2) −455.0

(1) Shown at nominal value of $1.

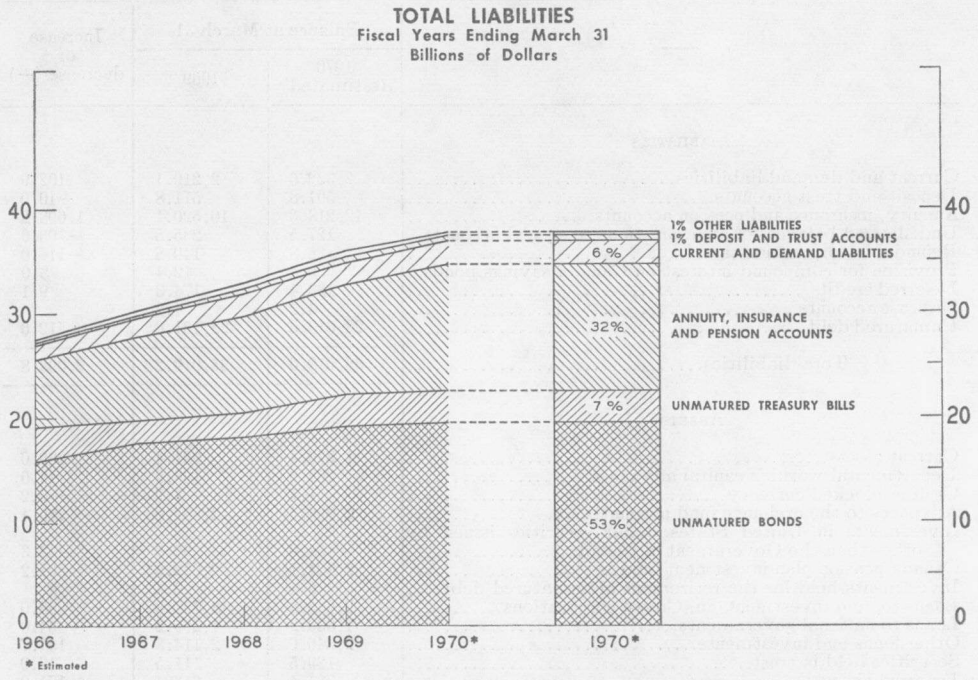
(2) Reflecting the budgetary surplus of $455 million.

SUMMARY

The gross liabilities of the government are estimated at $38,018 million as at March 31, 1970 compared with $35,919 million at March 31, 1969. The increase of $2,099 million is due mainly to annuity, insurance and pension accounts which are $1,698 million higher than at March 31, 1969.

Net recorded assets at $21,137 million are $2,554 million higher than the previous year-end total of $18,583 million. The main changes are increases of $868 million in loans to, and investments in, Crown corporations and $801 million in the Canada pension plan investment fund.

The net debt of Canada, or the excess of liabilities over net recorded assets, is estimated at $16,881 million as at March 31, 1970 compared with $17,336 million at March 31, 1969.



Liability Accounts

Current and demand liabilities

These liabilities, which consist of obligations of the government payable currently or on demand, in the amount of $2,322 million are $103 million more than the total at March 31, 1969.

There are increases of $15 million in outstanding cheques and $135 million in accounts payable and a decrease of $223 million in non-interest-bearing notes.

Non-interest-bearing notes represent those portions of Canada's equities in the capital of certain international agencies which are not covered by cash or gold. Notes in respect of the international monetary fund in the amount of $361 million are $191 million less and those in respect of the international development association at $11 million are $34 million less than at March 31, 1969.

Special Drawing Rights in the international monetary fund represent an allocation of the equivalent of U.S. $124 million = Can. $134 million to Canada by the international monetary fund of a newly created international reserve asset. These Special Drawing Rights have been advanced to the exchange fund account and are included therein.

TABLE 45

(in millions of dollars)

Current and Demand Liabilities	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Outstanding cheques	517.5	502.5	15.0
Accounts payable	605.2	470.2	135.0
Non-interest-bearing notes payable to—			
The international monetary fund	361.0	552.0	−191.0
The international development association	11.3	45.0	− 33.7
The Asian development bank	5.4	4.0	1.4
	377.7	*601.0*	*−223.3*
Allocation of Special Drawing Rights	134.4		134.4
Matured debt outstanding	40.7	39.7	1.0
Interest due and outstanding	164.9	162.9	2.0
Interest accrued	423.4	399.4	24.0
Post office outstanding money orders	50.9	34.9	16.0
Outstanding letter of credit cheques	5.1	5.1	
Other current liabilities	2.2	3.4	−1.2
	2,322.0	2,219.1	102.9

Deposit and trust accounts

Sundry funds deposited with, or held in trust by, the Receiver General for Canada for various purposes are recorded in these accounts.

There is a net decrease of $10 million from the previous fiscal year-end balance bringing the total to $502 million as at March 31, 1970.

The main changes are increases of $17 million in guarantee deposits and $6 million in the provincial tax collection agreements account and decreases of $19 million in the Canadian Dairy Commission account and $9 million in the Canadian Commercial Corporation account.

TABLE 46

(in millions of dollars)

Deposit and Trust Accounts	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Canadian Commercial Corporation—special deposit	5.0	14.2	−9.2
Canadian Dairy Commission	5.5	24.5	−19.0
Canadian Pension Commission—administration trust fund	17.7	17.2	0.5
Contractors holdbacks—sundry departments	13.4	13.4	
Contractors securities—sundry departments	3.3	3.3	
Crown corporations deposits	16.2	16.2	
Guarantee deposits—sundry departments	121.0	104.5	16.5
Indian trust funds	34.3	34.3	
Instalment purchase of bonds	16.0	15.6	0.4
National Harbours Board—special accounts	24.8	22.7	2.1
Prairie farm emergency fund	15.9	14.5	1.4
Provincial tax collection agreements account	177.4	171.4	6.0
Other	51.3	60.0	−8.7
	501.8	511.8	−10.0

Annuity, insurance and pension accounts

This category records the government's liability in respect of various annuity, insurance and pension accounts.

It is estimated that these account balances will total $12,218 million at March 31, 1970, an increase of $1,698 million during the fiscal year.

TABLE 47

(in millions of dollars)

Annuity, Insurance and Pension Accounts	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Unemployment insurance fund	496.4	398.9	97.5
Less investments and accrued interest	−482.5	−386.8	−95.7
Uninvested funds on deposit with the government	13.9	12.1	1.8
Superannuation accounts—			
Public service	3,648.4	3,178.4	470.0
Canadian forces	3,303.6	3,023.6	280.0
Royal Canadian Mounted Police	164.8	130.8	34.0
	7,116.8	*6,332.8*	*784.0*
Canada pension plan account	2,929.0	2,107.8	821.2
Government annuities	1,320.5	1,324.6	−4.1
Old age security fund	724.9	620.9	104.0
Other	113.2	121.9	−8.7
	12,218.3	10,520.1	1,698.2

Unemployment insurance fund

The unemployment insurance fund is expected to increase by $98 million bringing the balance to $496 million at March 31, 1970. Of this amount $483 million will be invested in bonds and accrued interest and $14 million will be held by the Receiver General.

TABLE 48

(in millions of dollars)

Unemployment Insurance Fund	Fiscal year ending March 31				
	1966	1967	1968	1969	1970 (estimated)
Receipts—					
Contributions—					
Employees and employers[1]	328.3	343.8	347.4	433.1	498.7
Government[2]	65.7	68.8	69.5	86.6	99.8
Net income from investments	4.7	10.9	15.9	18.9	23.7
Other income	0.1	0.2	0.2	0.2	0.2
	398.8	423.7	433.0	538.8	622.4
Disbursements—					
Benefit payments	−297.8	−307.0	−388.6	−459.1	−527.1
Excess of receipts over disbursements	101.0	116.7	44.4	79.7	95.3
Balance at credit of fund at fiscal year-end	141.5	258.2	302.7	382.4	478.4
Unredeemed benefit warrants and deposits from employers	20.7	22.2	17.6	16.5	18.0
Balance in fund at March 31	162.2	280.4	320.3	398.9	496.4
Investment in bonds and accrued interest	−148.6	−266.6	−303.9	−386.8	−482.5
Balance on deposit with the government	13.6	13.8	16.4	12.1	13.9

[1] Contributions by employees and employers on an equal basis.

[2] Government contribution is equal to 20 per cent of the combined employee-employer contributions

Public service superannuation account

The balance of $3,648 million in this account is $470 million higher than at March 31, 1969. Receipts of $564 million include employee contributions of $94 million, the government's contribution of $73 million, interest of $131 million, an actuarial liability adjustment of $260 million and a contribution of $6 million by Crown corporations. Contributions by the government and Crown corporations are equal to the estimated current and prior service payments by individuals in 1968-69.

The actuarial adjustment of $260 million is comprised of $51 million to cover the deficit revealed by the quinquennial valuation of the account as at December 31, 1967 and $209 million to provide for additional liabilities arising out of salary increases in 1969-70.

Disbursements of $94 million include $82 million for annuities and $10 million for withdrawals of contributions.

In 1968-69 receipts were $390 million and disbursements were $87 million.

TABLE 49

(in millions of dollars)

Public Service Superannuation Account	Fiscal year ending March 31				
	1966	1967	1968	1969	1970 (estimated)
Receipts—					
Contributions—					
Employees—					
Government	(1)63.4	(2)55.5	66.0	71.6	87.0
Crown corporations	3.3	3.8	5.2	5.1	7.0
Government	57.8	59.3	59.6	66.0	73.5
Crown corporations	3.7	3.8	5.0	4.8	6.0
Interest	89.5	98.5	110.9	118.0	130.5
Actuarial liability	79.6	152.2	21.5	121.0	260.0
Other	1.2	0.9	2.2	3.0	
	298.5	374.0	270.4	389.5	564.0
Disbursements—					
Annuities	−57.7	−62.8	−68.2	−74.7	−82.0
Withdrawals of contributions	−11.3	−11.1	−10.8	−10.3	−10.0
Other	−0.9	−1.0	−5.1	−1.9	−2.0
	−69.9	−74.9	−84.1	−86.9	−94.0
Excess of receipts over disbursements	228.6	299.1	186.3	302.6	470.0
Balance in fund brought forward	2,161.8	2,390.4	2,689.5	2,875.8	3,178.4
Balance at credit of fund	2,390.4	2,689.5	2,875.8	3,178.4	3,648.4

(1)Includes $4.1 million due to dual contributions temporarily required in respect of the Canada and Quebec pension plans.

(2)Net after deduction of $4.1 million referred to in footnote (1).

Canadian forces superannuation account

The balance of $3,304 million reflects an increase of $280 million during the fiscal year.

Receipts of $354 million include $38 million in contributions by personnel, $62 million in contributions by the government, $125 million in interest and $129 million to provide for additional liabilities arising from salary increases. Government contributions were made at the rate of one and two-thirds times the current and prior service contributions by personnel and increased to one and four-fifths times effective with the second quarter of the fiscal year.

Disbursements of $74 million include $67 million in pensions and retiring allowances and $7 million in cash termination allowances and return of contributions.

In 1968-69 receipts were $363 million and disbursements were $62 million.

TABLE 50

(in millions of dollars)

Canadian Forces Superannuation Account	Fiscal year ending March 31				
	1966	1967	1968	1969	1970 (estimated)
Receipts—					
Contributions—					
Personnel	(1)34.1	(2)25.1	33.1	33.9	38.0
Government	58.8	42.6	58.4	57.0	62.0
Interest	83.2	91.7	105.2	112.1	125.0
Actuarial liability	16.6	279.2		159.6	129.0
Other	0.3	0.3	1.4		
	193.0	438.9	198.1	362.6	354.0
Disbursements—					
Pensions and retiring allowances	−26.7	−36.8	−45.7	−55.2	−67.0
Cash termination allowances and return of contributions	−10.1	−9.2	−6.0	−7.0	−7.0
Other	−0.1	−0.1	−0.1	−0.1	
	−36.9	−46.1	−51.8	−62.3	−74.0
Excess of receipts over disbursements	156.1	392.8	146.3	300.3	280.0
Balance in fund brought forward	2,028.1	2,184.2	2,577.0	2,723.3	3,023.6
Balance at credit of fund	2,184.2	2,577.0	2,723.3	3,023.6	3,303.6

(1)Includes $2.1 million due to dual contributions temporarily required in respect of the Canada and Quebec pension plans.

(2)Net after deduction of $2.1 million referred to in footnote (1).

Royal Canadian Mounted Police superannuation account

The balance of $165 million in this account is $34 million higher than the balance at March 31, 1969.

Receipts during the year of $35 million include contributions of $4 million by personnel, the government's contribution of $7 million, interest of $5 million and $19 million to provide for additional liabilities arising from salary increases.

Disbursements of $1 million consist mainly of annuities and allowances.

In 1968-69 receipts were $27 million and disbursements were $1 million.

TABLE 51

(in millions of dollars)

Royal Canadian Mounted Police Superannuation Account	Fiscal year ending March 31				
	1966	1967	1968	1969	1970 (estimated)
Receipts—					
Contributions—					
Personnel	(1)2.2	(2)2.2	2.8	3.4	4.0
Government	3.9	4.5	4.2	6.6	7.0
Interest	2.4	2.9	3.5	4.5	5.0
Actuarial liability		11.1	10.1	12.7	19.0
	8.5	20.7	20.6	27.2	35.0
Disbursements—					
Annuities and allowances	−0.5	−0.7	−0.8	−0.9	−1.0
Cash termination allowances and return of contributions	−0.3	−0.3	−0.2	−0.2	
	−0.8	−1.0	−1.0	−1.1	−1.0
Excess of receipts over disbursements	7.7	19.7	19.6	26.1	34.0
Balance in fund brought forward	57.7	65.4	85.1	104.7	130.8
Balance at credit of fund	65.4	85.1	104.7	130.8	164.8

(1)Includes $0.2 million due to dual contributions temporarily required in respect of the Canada and Quebec pension plans.

(2)Net after deduction of $0.2 million referred to in footnote (1).

Canada pension plan account

The balance of $2,929 million is $821 million higher than the March 31, 1969 balance of $2,108 million.

Credits to the account of $889 million include $745 million in contributions under the act, $140 million in interest on investments and $4 million in interest on the operating balance on deposit with the Receiver General. Charges of $68 million include $50 million in benefit payments and $18 million in administrative expenses.

In 1968-69 receipts were $785 million and disbursements were $30 million.

The amount by which the operating balance of the Canada pension plan in any month exceeds the estimated amount required to meet all payments in the following three month period is available for the purchase of securities of participating provinces. Securities of Canada are purchased with the excess remaining after purchasing securities of each province as required.

It is estimated that securities totalling $801 million will have been purchased during the year bringing the total amount invested to $2,824 million at March 31, 1970. These are recorded in the asset account "Canada pension plan investment fund".

TABLE 52

(in millions of dollars)

Canada Pension Plan Account	Fiscal year ending March 31				
	1966	1967	1968	1969	1970 (estimated)
Receipts—					
Contributions	94.9	587.2	640.2	698.0	745.0
Interest on investments		11.0	42.2	84.4	140.0
Interest on operating balance	(1)	1.1	1.4	2.4	4.0
Other		0.6	0.9	0.2	
	94.9	599.9	684.7	785.0	889.0
Payments—					
Benefit payments		−0.1	−1.3	−15.6	−50.0
Administration expenses	−5.5	−8.3	−11.5	−14.4	−17.8
	−5.5	−8.4	−12.8	−30.0	−67.8
Excess of receipts over payments	89.4	591.5	671.9	755.0	821.2
Balance in fund brought forward		89.4	680.9	1,352.8	2,107.8
Balance at credit of fund	89.4	680.9	1,352.8	2,107.8	2,929.0
Less investments in securities held in the Canada pension plan investment fund	−34.8	−615.5	−1,280.8	−2,023.0	−2,824.2
Operating balance on deposit with the government	54.6	65.4	72.0	84.8	104.8

(1) Less than $50,000.

Government annuities account

The balance of $1,321 million in this account is $4 million less than the balance at March 31, 1969.

Receipts of $64 million include $13 million from premiums and $51 million in interest. Disbursements of $68 million consist mainly of vested annuity and commuted value payments and refunds of premiums.

In 1968-69 receipts totalled $66 million and disbursements were $67 million.

Old age security fund

The Old Age Security Act, 1951 directed that this fund be established and that credits to the fund should consist of a 2 per cent sales tax, a 2 per cent tax (maximum $60) on individual incomes and a 2 per cent tax on corporation incomes, and that pension payments of $40 per month be paid to all eligible persons over 70 years of age. Payments were effective from January 1, 1952.

Amendments to the act have increased the tax rates: on individual incomes to 3 per cent effective January 1, 1959 and to 4 per cent effective January 1, 1964 (maximum tax $120 increased to $240 effective January 1, 1967); on corporation incomes to 3 per cent effective January 1, 1959; and on sales to 3 per cent effective April 10, 1959.

21774—36

Pension rates have also been increased by amendments to the act to $75 per month effective October 1, 1963; to $76.50 per month effective January 1, 1968; to $78 per month effective January 1, 1969; and to $79.58 effective January 1, 1970.

The act was further amended to authorize pension payments effective January 1, 1966 to all persons who satisfied the residence requirements of the act who had attained the age of 69 years on or before January 1, 1966; the age limit being reduced by one year on January 1 of each subsequent year until 1970. A further amendment to the act in 1966-67 authorized the payment of a monthly guaranteed income supplement to eligible pensioners. The amount of the supplement that may be paid to a pensioner for a month is 40 per cent of the amount of the pension that may be paid to him for that month dependent upon the amount of his income for the preceding year.

Receipts of $1,823 million include $569 million from sales tax, $1,027 million from the tax on personal incomes and $227 million from the tax on corporation incomes.

Payments of $1,719 million consist of $1,450 million in pension payments and $269 million in guaranteed income supplements.

In 1968-69 receipts were $1,626 million and payments were $1,541 million.

TABLE 53

(in millions of dollars)

Old Age Security Fund	Fiscal year ending March 31				
	1966	1967	1968	1969	1970 (estimated)
Tax receipts—					
Sales tax	522.1	559.5	544.5	528.1	569.0
Personal income tax	494.9	576.6	800.1	915.0	1,027.0
Corporation income tax	152.3	149.5	150.0	183.0	227.0
Total tax receipts	1,169.3	1,285.6	1,494.6	1,626.1	1,823.0
Pension payments	−927.3	−1,033.4	−1,153.3	−1,296.8	−1,450.0
Guaranteed income supplement[1]		−39.6	−234.8	−244.5	−269.0
Excess of receipts over payments	242.0	212.6	106.5	84.8	104.0
Temporary loans brought forward	−25.0				
Balance in fund brought forward		217.0	429.6	536.1	620.9
Balance in fund	217.0	429.6	536.1	620.9	724.9

[1] Effective January 1, 1967.

A distribution of payments, by provinces, is shown in the following table:

TABLE 54

(in millions of dollars)

Old Age Security Payments[1]	Fiscal year ending March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Newfoundland	36.1	32.3	3.8
Nova Scotia	77.7	69.3	8.4
Prince Edward Island	14.2	12.6	1.6
New Brunswick	58.5	52.0	6.5
Quebec	405.6	364.1	41.5
Ontario	610.1	550.6	59.5
Manitoba	99.1	88.4	10.7
Saskatchewan	97.6	86.9	10.7
Alberta	116.6	103.9	12.7
British Columbia	202.1	180.0	22.1
Northwest and Yukon Territories	1.4	1.2	0.2
	1,719.0	1,541.3	177.7

[1] Includes $269 million in 1969–70 and $244.5 million in 1968–69 for guaranteed income supplement.

Undisbursed balances of appropriations to special accounts

This category records the undisbursed balances of appropriations to special accounts from which disbursements may be made for authorized purposes. They fall into two classes. The first of these, comprising the majority of the accounts, consists of those cases where parliament has appropriated moneys for specific purposes. The other class consists of accounts to which is credited moneys received from the sale of materials, supplies, equipment, land, works and buildings and which are available for purposes of the Department of National Defence.

The balance of $128 million is $108 million less than the balance of $236 million at March 31, 1969.

The main change was a decrease of $86 million in the reserve for salary revisions.

TABLE 55

(in millions of dollars)

Undisbursed Balances of Appropriations to Special Accounts	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Reserve for salary revisions	35.0	120.5	−85.5
International assistance account	82.4	86.4	−4.0
Centennial of confederation fund	2.4	2.4	
National capital fund	3.8	3.8	
Railway grade crossing fund	3.2	8.2	−5.0
Surplus Crown assets		13.1	−13.1
Other	0.7	1.1	−0.4
	127.5	235.5	−108.0

Refundable corporation tax

This account records the refundable corporation tax on cash profits of businesses that is payable by all corporations not exempt from tax under section 62 of the Income Tax Act and by certain types of trusts on specified types of income.

The balance of $27 million is $114 million less than the balance at March 31, 1969. The decrease represents refunds made during the year.

Provision for compound interest on Canada savings bonds

This account records the estimated amount for the prorated provision for the special compound interest feature applicable to certain Canada savings bonds.

The balance of $20 million is $8 million higher than the balance at March 31, 1969.

Deferred credits

Recorded in these accounts are amounts due the government in respect of which payment is deferred. These are contra accounts to corresponding items under the asset categories: "loans to, and investments in, Crown corporations", "loans to national governments" and "other loans and investments".

The balance of $183 million is $9 million more than at March 31, 1969.

Also included in this category are premiums, received on the issue of Government of Canada bonds, which are being credited to public debt charges on a monthly amortization basis.

Deferred interest of $70 million in respect of The St. Lawrence Seaway Authority is $9 million higher than at March 31, 1969.

TABLE 56

(in millions of dollars)

Deferred Credits	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Deferred interest—			
Atomic Energy of Canada Limited	0.2	0.2	
Northern Canada Power Commission	3.9	3.9	
The St. Lawrence Seaway Authority	70.0	60.6	9.4
United Kingdom Financial Agreement Act, 1946	101.1	101.1	
	175.2	*165.8*	*9.4*
Balances receivable under agreements of sale of Crown assets	0.3	0.3	
Crown Assets Disposal Corporation—government equity	7.8	7.8	
Unamortized premium on loans	0.1	0.4	−0.3
	183.4	174.3	9.1

Suspense accounts

These consist of balances where some uncertainty as to disposition exists. The balance of $4 million is slightly higher than at March 31, 1969.

Unmatured debt

The unmatured debt of Canada is estimated at $22,613 million as at March 31, 1970 and is comprised of $22,166 million payable in Canadian dollars, $265 million payable in United States dollars, $74 million payable in German deutsche marks and $108 million payable in Italian lire.

This is $512 million more than the balance at March 31, 1969. The increase is due mainly to securities payable in Canadian dollars.

Details of the various loan issues, maturities, cancellations and redemptions resulting in the net increase are described more fully in the section "The Public Debt".

TABLE 57

(in millions of dollars)

Unmatured Debt	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Payable in Canadian dollars—			
Marketable bonds	12,248.0	12,263.0	−15.0
Non-marketable bonds—			
Canada savings bonds	6,542.3	6,168.3	374.0
Canada pension plan	15.3	11.3	4.0
Unemployment insurance commission	466.0	376.0	90.0
	19,271.6	*18,818.6*	*453.0*
Treasury bills	2,895.0	2,840.0	55.0
	22,166.6	21,658.6	508.0
Payable in United States dollars[1] [2]	265.0	266.7	−1.7
Payable in German deutsche marks[1] [2]	73.9	67.6	6.3
Payable in Italian lire[1] [2]	108.1	108.1	
	22,613.6	22,101.0	512.6

[1] Marketable bonds.

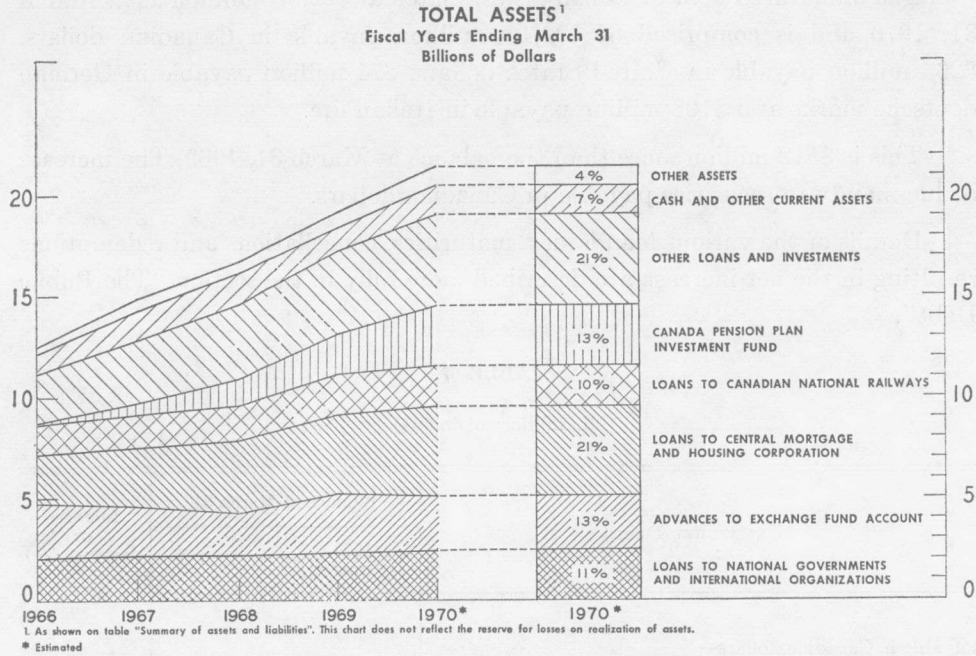
[2] Converted at the official parity rates.

ASSET ACCOUNTS

Current assets

These accounts consist of various cash accounts and the securities investment account.

Total current assets at $1,370 million are $389 million more than at March 31, 1969. The main change was an increase of $339 million in cash in current deposits.



1. As shown on table "Summary of assets and liabilities". This chart does not reflect the reserve for losses on realization of assets.

* Estimated

TABLE 58

(in millions of dollars)

CURRENT ASSETS	Balance at March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Cash accounts—			
Cash in current deposits[1]	939.1	600.1	339.0
Cash in special deposits	1.4	1.4	
Cash in hands of collectors and in transit	284.5	282.5	2.0
Customs and excise temporary deposits	0.6	0.6	
Indian agencies revenue trust bank accounts	0.4	0.4	
Moneys received after March 31 but applicable to the current year	33.3	33.3	
Post office—cash on hand and in transit	16.7	18.7	—2.0
	1,276.0	*937.0*	*339.0*
Securities investment account	94.4	44.4	50.0
	1,370.4	981.4	389.0

[1] Receiver General year-end balances in London, New York, Paris, Brussels, Bonn, Rome and Frankfurt are at the Canadian dollar equivalent of exchange rates at March 31.

Departmental working capital advances

These accounts record advances outstanding at the close of the fiscal year for working funds for certain departmental activities.

The balance of $203 million is $14 million more than at March 31, 1969. The main changes were an increase of $4 million in the stockpiling of uranium concentrates account, a new account "airports revolving fund" in the amount of $13 million and a decrease of $7 million in the Royal Canadian Mint account.

TABLE 59
(in millions of dollars)

Departmental Working Capital Advances	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Agricultural commodities stabilization account	1.0		1.0
Defence production revolving fund	32.5	34.5	−2.0
Miscellaneous departmental imprest and standing advances	13.4	13.4	
Miscellaneous departmental accountable advances	15.0	15.0	
Royal Canadian Mint	7.9	14.9	−7.0
Stockpiling of uranium concentrates	91.2	87.2	4.0
Transport stores account	9.0	8.0	1.0
Airports revolving fund	13.0		13.0
Other	19.9	15.9	4.0
	202.9	188.9	14.0

The agricultural commodities stabilization account records the operations of the agricultural stabilization board which was established under provisions of the Agricultural Stabilization Act to take such action as necessary to stabilize the price of agricultural commodities at their respective prescribed prices. It is estimated that the Board's operations will result in a net increase of $1 million in the account during 1969-70.

The stockpiling of uranium concentrates account records the acquisition of uranium concentrates in accordance with contracts entered into with the approval of the Governor in Council by Eldorado Nuclear Limited on behalf of Her Majesty in right of Canada with certain mining companies. The balance of $91 million is $4 million higher than the balance at March 31, 1969.

The defence production revolving fund records the cost of materials procured for use in the manufacture of defence equipment until such time as they are billed to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment, as well as working capital loans and advances for their production. The balance of $33 million in the account is $2 million less than at the previous year end.

Cash in blocked currency

The balance of $2 million in the account is slightly less than the balance at the end of the previous fiscal year.

Notes of Industrias Forestales, S.A. and Compania Manufacturera de Papeles y Cartones, S.A., held by the Export Development Corporation (formerly the Export Credits Insurance Corporation) and which were due in 1965 and 1966, could not be paid in accordance with their terms because the Chilean Government was unable to make available the necessary Canadian currency. An alternate scheme was devised whereby the debtors could make their payments on the notes.

The corporation received the payments in Chile in Canadian dollars and the amount upon receipt was paid into a blocked account established by the Receiver General for Canada with the Central Bank of Chile, the Government of Chile to pay in Canadian dollars interest at 6 per cent per annum on the sums held in this account directly to the Receiver General in Ottawa.

The Government of Chile agreed to the withdrawal of 20 per cent of the deposits made to the account in 1965 in each of the years 1968 to 1972 and 20 per cent of the deposits made to the account in 1966 in each of the years 1969 to 1973.

Advances to the exchange fund

Advances during the year to finance the purchase of gold and foreign exchange are estimated at $1,471 million and repayments are estimated at $1,342 million resulting in a balance of $2,996 million in the account at March 31, 1970. Included in these advances is $134 million (U.S. $124 million) in special drawing rights issued by the international monetary fund.

Investments in special United States of America securities issued by other than the Government of Canada

This account records the special securities issued by the Government of the United States of America and purchased by Canada pursuant to agreements made to carry out the Columbia River Treaty between the Government of the United States and the Government of Canada. During 1969-70 securities in the amount of $32 million have been redeemed leaving a balance of $58 million in the account at March 31, 1970.

Canada pension plan investment fund

This account records securities purchased under the Canada Pension Plan Act and the sale of these securities. The amount by which the operating balance of the Canada pension plan fund in any month exceeds the estimated amount

required to meet all payments in the following three-month period is available for the purchase of securities of participating provinces. Securities of Canada shall be purchased with the excess remaining after purchasing securities of each province as required. The estimated holdings in the account as at March 31, 1970 are $2,824 million of which $2,809 million is provincial government securities and $15 million is federal government securities.

TABLE 60

(in millions of dollars)

Canada Pension Plan Investment Fund	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Securities of—			
Newfoundland	53.4	37.9	15.5
Nova Scotia	108.4	77.1	31.3
Prince Edward Island	10.3	7.1	3.2
New Brunswick	82.7	58.8	23.9
Quebec	7.6	4.6	3.0
Ontario	1,581.7	1,140.6	441.1
Manitoba	165.9	118.7	47.2
Saskatchewan	131.5	91.5	40.0
Alberta	257.9	181.7	76.2
British Columbia	409.4	293.6	115.8
Government of Canada	15.3	11.3	4.0
	2,824.1	2,022.9	801.2

Investments held for retirement of unmatured debt

The balance in this account at $6 million is unchanged from the balance at March 31, 1969.

Loans to, and investments in, Crown corporations

Loans and investments in this category are estimated at $9,636 million as at March 31, 1970, an increase of $868 million over the March 31, 1969 balance.

The main changes were increases of $476 million in loans to Central Mortgage and Housing Corporation, $190 million to the Canadian National Railways (including Air Canada), $137 million to Atomic Energy of Canada Limited, $90 million to the Farm Credit Corporation and $49 million to the Export Development Corporation (formerly Export Credits Insurance Corporation) and the liquidation of the loans to the Canadian Corporation for the 1967 World Exhibition.

TABLE 61

(in millions of dollars)

Loans to, and Investments in, Crown Corporations	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Atomic Energy of Canada Limited	344.4	207.4	137.0
Bank of Canada	5.9	5.9	
Canada Deposit Insurance Corporation	23.5	23.5	
Canadian Arsenals Limited	5.0	5.0	
Canadian Broadcasting Corporation	9.0	9.0	
Canadian Commercial Corporation	15.5	15.5	
Canadian Corporation for the 1967 World Exhibition		25.1	−25.1
Canadian Dairy Commission	42.0	42.0	
Canadian National Railways	2,029.4	1,927.4	102.0
Air Canada	146.1	58.1	88.0
	2,175.5	*1,985.5*	*190.0*
Canadian Overseas Telecommunication Corporation	50.3	49.3	1.0
Cape Breton Development Corporation	10.0	10.0	
Central Mortgage and Housing Corporation	4,436.6	3,960.6	476.0
Eldorado Nuclear Limited	22.2	8.2	14.0
Export Development Corporation[1]	280.6	231.6	49.0
Farm Credit Corporation	1,139.9	1,049.9	90.0
National Capital Commission—excluding Greenbelt	28.2	28.2	
National Harbours Board	265.2	261.2	4.0
Northern Canada Power Commission	42.1	42.1	
Northern Transportation Company Limited	5.0	2.0	3.0
Polymer Corporation Limited	30.0	30.0	
The St. Lawrence Seaway Authority—			
Loans	404.2	385.6	18.6
Deferred interest	70.0	60.6	9.4
Interest-free loans	75.0	75.0	
	549.2	*521.2*	*28.0*
Recovery likely to require parliamentary appropriations—			
Canadian Broadcasting Corporation	116.4	92.4	24.0
Canadian Corporation for the 1967 World Exhibition		122.9	−122.9
National Capital Commission—Greenbelt	37.7	37.7	
	154.1	*253.0*	*−98.9*
Other Crown Corporations	1.6	1.6	
	9,635.8	8,767.8	868.0

[1] Formerly the Export Credits Insurance Corporation.

Atomic Energy of Canada Limited

The balance of $344 million, which is $137 million higher than at March 31, 1969, consists of $15 million in capital stock and loans of $329 million.

At March 31, 1969 the balance of $207 million consisted of $15 million in capital stock and $192 million in loans.

Canadian National Railways (including Air Canada)

Outstanding advances to the Canadian National Railways (including Air Canada) of $2,176 million are $190 million higher than at March 31, 1969.

TABLE 62

(in millions of dollars)

Advances to the Canadian National Railways (including Air Canada)	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Capital Revision Act, 1952—			
Preferred stock	1,165.2	1,133.3	31.9
Twenty-year obligation	100.0	100.0	
Financing and Guarantee Acts	223.0	197.4	25.6
Interim financing		5.0	−5.0
Refunding Act, 1955	501.1	451.1	50.0
Loans for maintenance, repair and acquisition of passenger equipment	1.9	2.4	−0.5
Temporary loans—acquisition of bonds	21.2	21.2	
Canadian Government Railways	17.0	17.0	
	2,029.4	*1,927.4*	*102.0*
Air Canada—			
Financing and Guarantee Acts	146.1	54.8	91.3
Interim financing		3.3	−3.3
	146.1	*58.1*	*88.0*
	2,175.5	1,985.5	190.0

During 1969-70 the government will make an estimated amount of $232 million available to the Canadian National Railways (including Air Canada) and will receive repayments of $42 million.

TABLE 63

(in millions of dollars)

Advances to, and Repayments by, the Canadian National Railways (including Air Canada)	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Advances—			
Canadian National Railways—			
For the refunding of debt	50.0	55.8	−5.8
Financing and Guarantee Acts	25.6	65.0	−39.4
Temporary loans—acquisition of bonds		9.9	−9.9
Interim financing	20.0	21.2	−1.2
	95.6	*151.9*	*−56.3*
Air Canada—			
Financing and Guarantee Acts	91.3	54.8	36.5
Interim financing	13.2	7.1	6.1
	104.5	*61.9*	*42.6*
Purchase of 4 per cent preferred stock (C.N.R. Capital Revision Act)	31.9	28.1	3.8
	232.0	241.9	− 9.9
Repayments—			
Canadian National Railways—			
Maintenance, repair and acquisition of passenger equipment	−0.5	−0.5	
Interim financing	−25.0	−29.2	4.2
	−25.5	*−29.7*	*4.2*
Air Canada—			
Interim financing	−16.5	−11.8	−4.7
	−42.0	−41.5	−0.5
Net increase during the year	190.0	200.4	−10.4

During the year 1969-70 the government will have made advances in an estimated amount of $76 million to the Canadian National Railways for capital purposes and the refunding of debt in the hands of the public and loans of $91 million to Air Canada for capital purposes.

To assist the railway company to finance further capital expenditure the government will have purchased $32 million of the 4 per cent preferred stock of the company. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952 in an amount equal to 3 per cent of the gross revenue of the company.

At March 31, 1969 temporary loans of $5 million were outstanding to the railway company in respect of its 1969 deficit. Additional loans of $20 million were advanced during the year for its 1969 operations. These will be charged to 1969-70 budgetary expenditures on parliamentary approval.

At March 31, 1969 temporary loans of $3 million were outstanding to Air Canada in respect of its 1969 operations. An additional $13 million was advanced during the year for its 1969 operations. These have been repaid by the company.

Canadian Corporation for the 1967 World Exhibition

This account recorded the purchase by the federal government of securities issued by the corporation in accordance with the Canadian Corporation for the 1967 World Exhibition Act. The balance at March 31, 1969 was $148 million of which $123 million was guaranteed by the federal government, $14 million was guaranteed by the City of Montreal and $11 million by the Province of Quebec.

The Expo Winding-up Act passed by the House of Commons on November 24, 1969 provided for the dissolution of the corporation and the write-off of Canada's share of the deficit of the corporation.

Also during the year the loans guaranteed by the Province of Quebec have been transferred to the asset category "loans to provinces" and those guaranteed by the City of Montreal have been transferred to the asset category "miscellaneous loans and investments".

Central Mortgage and Housing Corporation

The balance shown in this account at March 31, 1970 is $4,437 million, $476 million higher than at March 31, 1969.

Loans and advances of $608 million are partly offset by repayments of $132 million.

Advances include $457 million for direct lending, limited dividend and public housing, $39 million for sewage treatment projects, $57 million for university housing projects, $49 million for federal-provincial projects and $7 million for urban renewal.

Repayments include $113 million for direct lending, limited dividend and public housing, $10 million for sewage treatment projects, $5 million for federal-provincial projects and $2 million for acquisition or construction of real estate.

TABLE 64

(in millions of dollars)

Advances to Central Mortgage and Housing Corporation	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Direct lending, limited dividend and public housing	3,640.0	3,296.1	343.9
Federal-provincial projects—housing	211.2	167.2	44.0
Loan and mortgage purchase fund	4.9	5.1	−0.2
Municipal sewage treatment	194.0	165.7	28.3
University housing	290.4	234.5	55.9
Housing projects	62.8	65.1	−2.3
Urban renewal	8.3	1.9	6.4
Capital stock	25.0	25.0	
	4,436.6	3,960.6	476.0

TABLE 65

(in millions of dollars)

Advances to, and Repayments by, Central Mortgage and Housing Corporation	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Advances—			
Direct lending, limited dividend and public housing	456.9	376.0	80.9
Federal-provincial projects	49.0	29.0	20.0
Sewage treatment projects	38.6	31.4	7.2
University housing projects	57.0	67.0	−10.0
Urban renewal	6.5	1.5	5.0
	608.0	*504.9*	*103.1*
Repayments—			
Direct lending, limited dividend and public housing	−113.0	−101.6	−11.4
Federal-provincial projects	−5.0	−3.8	−1.2
Loan and mortgage purchase fund	−0.2	−0.2	
Sewage treatment projects	−10.3	−10.5	0.2
University housing projects	−1.1	−1.2	0.1
Acquisition or construction of real estate	−2.3	−2.3	
Urban renewal	−0.1	−0.1	
	−132.0	*−119.7*	*−12.3*
	476.0	385.2	90.8

Export Development Corporation (formerly Export Credits Insurance Corporation)

The Export Development Corporation was established by the Export Development Act as passed by the House of Commons on June 5, 1969.

The Export Development Act as passed by the House of Commons on June 5, 1969 established the Export Development Corporation and declared it to be the successor to the Export Credits Insurance Corporation and transferred all property rights, obligations and liabilities of the Export Credits Insurance Corporation to the Export Development Corporation; and that upon surrender by the Minister of shares in the Export Credits Insurance Corporation the Minister shall be issued an equivalent number of shares in the Export Development Corporation.

The authorized capital of the new corporation is $25 million (250,000 shares at the par value of $100 each) and the Minister of Finance shall subscribe for all the shares of the corporation at par and shall pay to the corporation the amount of such subscriptions out of the consolidated revenue fund at such times and in such amounts as the board requires.

Whenever the Minister of Finance pays any part of a subscription for shares he shall in addition pay to the corporation out of the consolidated revenue fund an equal amount to be credited to the capital surplus account of the corporation, which account shall not exceed in the aggregate $25 million.

The balance of $281 million consists of $5 million in capital shares, $5 million in the capital surplus account and $271 million in loans.

Farm Credit Corporation

The government provides loans to the corporation which makes loans on farm property. The balance of $1,140 million shown in the account consists of the Crown's investment of $40 million in the capital of the corporation and $1,100 million in loans. At March 31, 1969 the balance of $1,050 million consisted of $40 million capital and $1,010 million in loans.

The St. Lawrence Seaway Authority

Outstanding obligations in this account in the amount of $549 million consist of $404 million in interest-bearing loans, $75 million in interest-free loans and $70 million in deferred interest. At March 31, 1969 outstanding obligations were $521 million of which $386 million were interest-bearing loans, $75 million were interest-free loans and $60 million was deferred interest.

Loans to national governments

It is expected that these loans will increase by $64 million during the year bringing the balance to $1,333 million at March 31, 1970.

An increase of $86 million in special loan assistance to developing countries was partly offset by repayments of $20 million by the United Kingdom and $2 million by Belgium.

TABLE 66

(in millions of dollars)

Loans to National Governments	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Loans to United Kingdom—			
The United Kingdom Financial Agreement Act, 1946...	937.3	957.0	−19.7
Deferred interest	101.1	101.1	
	1,038.4	*1,058.1*	*−19.7*
Loans under the Export Credits Insurance Act, Part II—			
Belgium	16.2	18.5	−2.3
France	66.9	66.9	
The Netherlands	32.1	32.1	
	115.2	*117.5*	*−2.3*
Miscellaneous—			
France—interim credits—consolidated interest		0.7	−0.7
Special loan assistance—developing countries	178.6	92.6	86.0
Other	1.0	0.3	0.7
	179.6	*93.6*	*86.0*
	1,333.2	1,269.2	64.0

Other loans and investments

Balances in these accounts amount to $2,246 million, $132 million higher than at March 31, 1969.

TABLE 67

(in millions of dollars)

Other Loans and Investments	Balance at March 31		Increase or decrease (−)
	1970 (estimated)	1969	
Subscriptions to capital of, and working capital advances and loans to, international organizations—			
Canada's subscription to capital of—			
Asian development bank	10.8	8.1	2.7
International bank for reconstruction and development	85.0	85.0	
International development association	139.8	112.8	27.0
International finance corporation	3.5	3.5	
International monetary fund	782.7	782.7	
	1,021.8	*992.1*	*29.7*
Working capital advances and loans to international organizations	7.0	7.0	
	1,028.8	999.1	29.7
Loans to provincial governments	281.3	270.3	11.0
Veterans land act fund	503.1	446.1	57.0
Less reserve for forgiveness of indebtedness	−21.4	−24.4	3.0
	481.7	*421.7*	*60.0*
Municipal development and loan board advances	273.3	281.3	−8.0
Miscellaneous—			
Assisted passage scheme	12.0	12.0	
Crown Assets Disposal Corporation—			
Government equity in agency account	7.8	7.8	
Defence plant modernization	23.6	14.6	9.0
Housing projects for Canadian forces	21.7	21.7	
Loans to manufacturers of automotive products in Canada	32.6	21.6	11.0
Northwest Territories	21.8	16.8	5.0
Yukon Territory	17.6	13.6	4.0
Other	43.8	33.8	10.0
	180.9	*141.9*	*39.0*
	2,246.0	2,114.3	131.7

Canada's subscriptions to the capital of international organizations at $1,029 million are $30 million higher, due mainly to additional subscriptions to the international development association.

Loans to provincial governments at $281 million are $11 million higher due in part to the fact that the federal government accepted notes in the amount of $11 million from the Province of Quebec to cover the provinces share of the EXPO deficit.

Advances under the Veterans Land Act at $482 million are $60 million higher and advances under the Municipal Development and Loan Act at $273 million are $8 million less than at March 31, 1969.

Miscellaneous loans and advances in the amount of $181 million are $39 million higher than at the previous year-end, due mainly to increases of $9 million for loans for defence plant modernization and $11 million for loans to manufacturers of automotive products in Canada.

Securities held in trust

Recorded herein are the security holdings in connection with various deposit and trust accounts and annuity, insurance and pension accounts. Bonds and certified cheques held in connection with contractors securities are also recorded under this heading. The balance at March 31, 1970 is estimated at $130 million compared with $112 million at March 31, 1969.

Deferred charges

These consist of the unamortized balances of actuarial deficiencies in the superannuation accounts and the outstanding unamortized loan flotation costs.

The balances in these accounts in the amount of $784 million are $171 million more than at March 31, 1969.

TABLE 68

(in millions of dollars)

Deferred Charges	Balance at March 31		Increase or decrease (—)
	1970 (estimated)	1969	
Unamortized portions of actuarial deficiencies—			
Canadian forces superannuation account	254.7	242.7	12.0
Public service superannuation account	319.5	186.5	133.0
Royal Canadian Mounted Police superannuation account	28.7	20.7	8.0
	602.9	*449.9*	*153.0*
Unamortized loan flotation costs	181.5	163.5	18.0
	784.4	613.4	171.0

Unamortized portions of actuarial deficiencies

Any actuarial deficiency revealed by quinquennial valuations is credited to the superannuation accounts and charged to these accounts and amortized to budgetary expenditure in five equal annual instalments commencing in the fiscal year in which the report is laid before Parliament. Also the cost of benefits payable under the superannuation acts as a result of the authorization of salary increases are credited to the superannuation accounts and charged to these accounts and amortized to budgetary expenditure over a period of five years commencing in the year in which the increase is authorized.

The unamortized portion of the actuarial deficiency in the Canadian forces superannuation account is expected to be $255 million at March 31, 1970 compared with $243 million at March 31, 1969. During the year $129 million was charged thereto as a result of salary increases and $117 million was amortized to budgetary expenditure of which $24 million was charged to interest on public debt.

The unamortized portion of the actuarial deficiency in the public service superannuation account is expected to be $320 million at March 31, 1970 compared with $187 million at March 31, 1969. During the year $209 million as a result of salary increases and $51 million as a result of the quinquennial valuation as at December 31, 1967 was charged thereto and $127 million was amortized to budgetary expenditure of which $25 million was charged to interest on public debt.

The unamortized portion of the actuarial deficiency in the Royal Canadian Mounted Police superannuation account is expected to be $29 million compared with $21 million at March 31, 1969. During the year $19 million was charged thereto as a result of salary increases and $11 million was amortized to budgetary expenditure of which $1 million was charged to interest on public debt.

Unamortized loan flotation costs

This account records the residual balances of discounts, commissions, redemption bonuses and conversion premiums on loan flotations that have not been charged to budgetary expenditure. The balance of $182 million is $18 million higher than at March 31, 1969.

TABLE 69

(in millions of dollars)

Unamortized Loan Flotation Costs	Fiscal year ending March 31	
	1970 (estimated)	1969
Balance of account at beginning of fiscal year	163.5	138.2
New loan flotation costs to be amortized—		
7% loan April 1, 1969—May 1, 1970	0.3	
7¼% loan April 1, 1969—April 1, 1972	0.6	
7¼% loan April 1, 1969—April 1, 1974	0.4	
7¾% loan July 1, 1969—July 1, 1970	(4)	
8% loan July 1, 1969—July 1, 1978	0.3	
7¾% loan August 15, 1969—October 1, 1970	0.1	
8% loan August 15, 1969—February 1, 1973	0.2	
8% loan October 1, 1969—October 1, 1970	(4)	
8% loan October 1, 1969—October 1, 1971	0.5	
8% loan October 1, 1969—October 1, 1974	0.7	
8% loan December 15, 1969—December 15, 1970	0.1	
Adjustments	0.1	
Treasury bills discounts	38.2	
Canada savings bonds—new issues	43.3	
7% loan April 1, 1968—April 1, 1973		3.5
6¾% loan May 24, 1968—June 1, 1973[1]		1.2
6⅞% loan June 1, 1968—June 1, 1988[2]		1.2
6¾% loan June 15, 1968—July 1, 1969		0.3
7% loan June 15, 1968—October 1, 1970		1.2
7% loan June 15, 1968—June 15, 1974		3.5
6½% loan August 1, 1968—December 15, 1969		0.1
6½% loan August 1, 1968—October 1, 1970		0.2
6¼% loan October 1, 1968—October 1, 1971		0.2
6½% loan October 1, 1968—April 1, 1975		1.5
6½% loan October 1, 1968—October 1, 1995		1.9
6¼% loan December 16, 1968—May 1, 1970		0.1
6¼% loan December 16, 1968—April 1, 1971		0.7
Adjustments[3]		0.9
Treasury bills discounts		32.8
Canada savings bonds—new issues		36.1
	84.8	*85.4*
Less—		
Amortization applicable to fiscal year—		
Canada savings bonds and general loans	−34.0	−30.0
Discounts on treasury bills charged to interest on public debt	−32.8	−30.1
	−66.8	*−60.1*
Increase during year	18.0	25.3
Balance of account at end of fiscal year	181.5	163.5

[1] Loan issued in Germany.
[2] Loan issued in New York.
[3] Adjustments due to cancellations and additional issues of existing loans.
[4] Less than $50,000.

Cost of new loans issued during 1969-70 and charged to this account is $85 million, of which $38 million is in respect of treasury bills discounts which will be charged to interest on public debt in 1970-71. Credits of $67 million to the account include $33 million (representing discount applicable to 1969-70 on treasury bills sold in 1968-69) charged to the budgetary item "interest on public debt".

Treasury bills discounts applicable to the current fiscal year are charged to interest on public debt at the time of sale. That portion of the discounts applicable to the subsequent fiscal year is charged to this account and transferred to interest on public debt in the following year.

Capital assets

Assets of the government such as land, buildings, works and equipment, etc. that are charged to budgetary expenditure at the time of acquisition or construction, are included in this category and are shown on the statement of assets and liabilities at a nominal value of $1.

Inactive loans and investments

Loans and investments which are not currently revenue-producing or realizable are recorded herein. Included are the loan of $49 million to China under the Export Credits Insurance Act, loans totalling $24 million and $7 million made to Roumania and Greece, respectively, in 1919-20 and 1920-21 and advances of $15 million in respect of the implementation of guarantees (Ming Sung Industrial Company Limited).

Reserve for losses on realization of assets

There has been no change in this reserve since the fiscal year 1956-57. The balance is $546 million.

Net Debt

The net debt of Canada, or the excess of liabilities over net recorded assets, is estimated at $16,881 million as at March 31, 1970 compared with $17,336 million at March 31, 1969. The decrease of $455 million reflects the estimated 1969-70 budgetary surplus.

THE CASH POSITION

The government's cash account represents balances of current and special deposits to the credit of the Receiver General for Canada in the Bank of Canada, chartered banks in Canada and certain banks in London, New York, Brussels, Bonn, Frankfurt and Rome. These balances are expected to amount to $941 million at March 31, 1970 an increase of $339 million over the balance at March 31, 1969.

The following statement summarizes both the budgetary and non-budgetary transactions in 1969-70 and indicates how they affected the government's cash position. For purposes of comparison the corresponding figures for 1968-69 are also shown.

TABLE 70

(in millions of dollars)

Changes in Cash Position	Fiscal year ending March 31			
	1970 (estimated)		1969	
Budgetary transactions—				
Revenue	12,270.0		10,191.1	
Expenditure	−11,815.0		−10,767.2	
Surplus or deficit (−)		**455.0**		**−576.1**
Non-budgetary transactions (excluding unmatured debt transactions)—				
Receipts and credits (net)	2,233.0		1,740.3	
Disbursements and charges (net)	−2,811.6		−3,101.6	
Net amount available from, or required for (−), non-budgetary transactions		**−578.6**		**−1,361.3**
Overall cash requirement to be financed by increase in unmatured debt or decrease in cash balances		**−123.6**		**−1,937.4**
Net increase in unmatured debt outstanding in the hands of the public—				
Unmatured debt—				
Marketable bonds	−10.4		1,003.7	
Canada savings bonds	374.0		71.8	
Treasury bills	55.0		360.0	
Special issues—				
Unemployment Insurance Commission	90.0		80.0	
Canada pension plan	4.0		5.6	
	512.6		*1,521.1*	
Securities investment account	−50.0		−0.1	
Investments held for retirement of unmatured debt			1.8	
		462.6		**1,522.8**
Net increase or decrease (−) in Receiver General bank balances		**339.0**		**−414.6**

The cash position of the government is affected not only by budgetary transactions but also by changes in the government's unmatured debt and other non-budgetary transactions. Non-budgetary transactions are those which affect the government's asset and liability accounts and must be taken into account when considering the full scope of the government's financial operations and their effect on the economy of the country.

On the asset side, the non-budgetary transactions consist, for the most part, of loans and advances to, and repayments by, Crown corporations and other government agencies and funds, national, provincial and municipal governments, international organizations, veterans and other borrowers. On the liability side they relate mainly to receipts and payments in connection with the many deposit and trust accounts, and annuity, insurance and pension funds held or administered by the government.

In 1969-70 an estimated surplus of $455 million in budgetary transactions and an estimated net requirement of $579 million for non-budgetary transactions (excluding unmatured debt transactions) will result in a net cash requirement of

$124 million. As transactions in unmatured debt during the year are expected to result in an increase of $463 million in outstanding unmatured debt as at March 31, 1970, Receiver General bank balances will increase by $339 million. In 1968-69 the budgetary deficit of $576 million and net requirements of $1,361 million for non-budgetary transactions resulted in a cash requirement of $1,937 million which was financed by an increase of $1,523 million in outstanding unmatured debt and a decrease of $414 million in Receiver General bank balances.

Non-budgetary receipts and credits (excluding unmatured debt transactions)

Non-budgetary receipts and credits of $2,233 million include $1,698 million in respect of annuity, insurance and pension accounts, $195 million in repayments of loans, investments and advances and $340 million in sundry other accounts.

Further details are given in the following table:

TABLE 71

(in millions of dollars)

Non-Budgetary Receipts and Credits (Net)	Fiscal year ending March 31	
	1970 (estimated)	1969
Repayment of loans, investments and advances—		
Royal Canadian Mint	7.0	0.7
Investments in United States dollar securities issued by other than the Government of Canada	32.3	32.3
Canadian Corporation for the 1967 World Exhibition	148.0	57.0
Municipal Development and Loan Board advances	8.0	−1.6
	195.3	*88.4*
Annuity, insurance and pension accounts—		
Superannuation accounts—		
Public service	470.0	302.6
Canadian forces	280.0	300.3
Royal Canadian Mounted Police	34.0	26.1
Canada pension plan account	821.2	755.0
Old age security fund	104.0	84.8
Other	−11.0	−1.7
	1,698.2	*1,467.1*
Other receipts and credits—		
Outstanding cheques	15.0	75.1
Accounts payable	135.0	−50.0
Allocation of Special Drawing Rights	134.4	
Deferred credits	9.1	24.4
Interest accrued	24.0	84.1
Post office outstanding money orders	16.0	
Provincial tax collection agreements account	6.0	51.2
	339.5	*184.8*
	2,233.0	1,740.3

Non-budgetary disbursements and charges (excluding unmatured debt transactions)

Non-budgetary disbursements and charges of $2,812 million include $1,359 million for loans, investments and advances and $1,453 million for sundry other accounts.

Further details are given in the following table:

TABLE 72

(in millions of dollars)

Non-Budgetary Disbursements and Charges (Net)	Fiscal year ending March 31	
	1970 (estimated)	1969
Loans, investments and advances—		
Agricultural commodities stabilization account	1.0	−1.4
Stockpiling of uranium concentrates	4.0	12.2
Atomic Energy of Canada Limited	137.0	68.5
Canadian Broadcasting Corporation	24.0	18.3
Canadian Dairy Commission		19.8
Canadian National Railways (including Air Canada)	190.0	200.4
Central Mortgage and Housing Corporation	476.0	385.2
Eldorado Nuclear Limited	14.0	
Export Development Corporation	49.0	32.5
Farm Credit Corporation	90.0	128.2
National Harbours Board	4.0	11.1
Northern Transportation Company Limited	3.0	2.0
The St. Lawrence Seaway Authority	28.0	28.8
Exchange fund account	129.4	833.7
National governments	64.0	63.1
Subscriptions to capital of international organizations	29.7	29.5
Veterans land act advances	60.0	38.7
Defence plant modernization	9.0	4.4
Loans to manufacturers of automotive products in Canada	11.0	1.1
Provincial governments	11.0	82.6
Miscellaneous	24.8	−2.2
	1,358.9	*1,956.5*
Other disbursements and charges—		
Non-interest-bearing notes	223.3	215.7
Cash in hands of collectors and in transit		38.2
Canadian Commercial Corporation—special deposit	9.2	24.0
Canadian Dairy Commission—deposit account	19.0	0.7
Deferred charges	171.0	121.4
Undisbursed balances of appropriations to special accounts	108.0	−110.7
Refundable corporation tax	114.0	94.5
Canada pension plan investment fund	801.2	742.1
Other	5.0	19.2
	1,452.7	*1,145.1*
	2,811.6	3,101.6

THE PUBLIC DEBT

Gross and net debt

The gross debt of Canada, or the total of liabilities as recorded on the statement of assets and liabilities, is estimated to be $38,018 million as at March 31, 1970, an increase of $2,099 million over the total at March 31, 1969. The main

changes are increases of $1,698 million in annuity, insurance and pension accounts and $512 million in unmatured debt and decreases of $108 million in undisbursed balances of appropriations to special accounts and $114 million in refundable corporation tax. Unmatured debt at $22,613 million represents 60 per cent of the total and annuity, insurance and pension accounts at $12,218 million represents 32 per cent. At March 31, 1969 unmatured debt was $22,101 million or 61 per cent and annuity, insurance and pension accounts in the amount of $10,520 million were 29 per cent of total liabilities.

The government's net recorded assets are estimated to amount to $21,137 million as at March 31, 1970 an increase of $2,554 million over the total at March 31, 1969. The main changes are increases of $868 million in loans to, and investments in, Crown corporations, $801 million in the Canada pension plan investment fund, $132 million in other loans and investments, $389 million in current assets, $129 million in advances to the exchange fund account and $171 million in deferred charges. Loans to, and investments in, Crown corporations at $9,636 million represent 46 per cent, the Canada pension plan investment fund at $2,824 million represents 13 per cent and advances to the exchange fund account at $2,996 million represents 13 per cent. At March 31, 1969, loans to, and investments in, Crown corporations were $8,768 million or 47 per cent, the Canada pension plan investment fund was $2,023 million or 11 per cent and advances to the exchange fund account at $2,867 million was 15 per cent of the total.

Based on the above figures the net debt of Canada will be $16,881 million at March 31, 1970 reflecting a decrease of $455 million, equivalent to the 1969-70 estimated surplus.

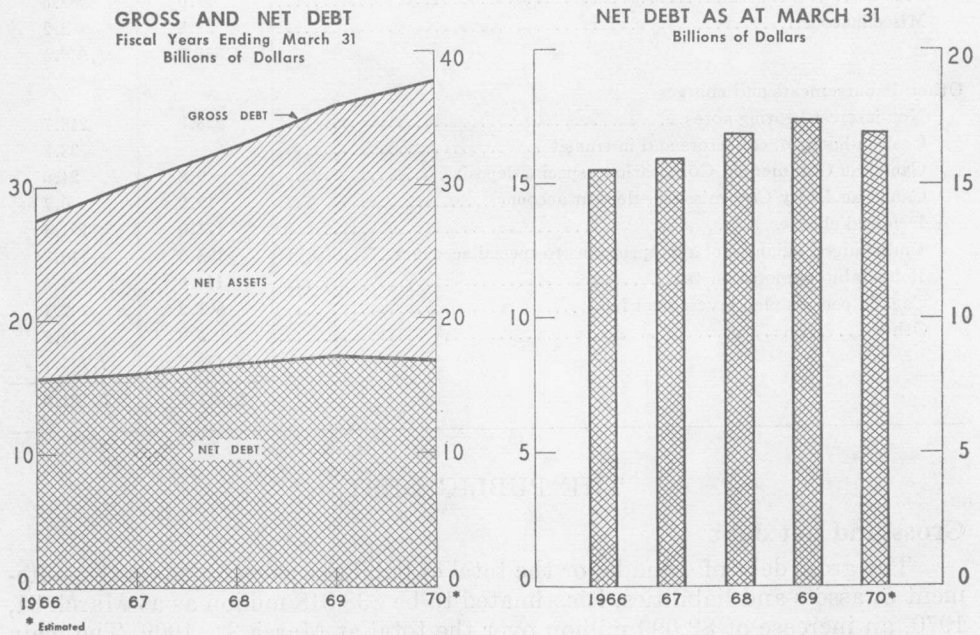


TABLE 73

STATEMENT OF PUBLIC DEBT, NET RECORDED ASSETS AND NET DEBT OF CANADA

(in millions of dollars)

As at March 31	Gross public debt			Less net recorded assets	Net debt	Increase or decrease (—) in net debt during the fiscal year
	Unmatured debt	Other liabilities	Total			
1966	19,109.7	8,373.1	27,482.9	11,939.5	15,543.4	39.0
1967	19,940.2	10,399.9	30,340.1	14,375.2	15,964.9	421.5
1968	20,579.9	12,344.3	32,924.2	16,164.5	16,759.7	794.8
1969	22,101.0	13,818.2	35,919.2	18,583.4	17,335.8	576.1
1970 (estimated)	22,613.6	15,404.4	38,018.0	21,137.2	16,880.8	—455.0

Unmatured debt

Total unmatured debt of $22,613 million is $512 million more than at March 31, 1969.

The government's holdings of its own securities as at March 31, 1970 are estimated to be $101 million comprised of $95 million in the securities investment account (of which $43 million is Canada savings bonds held in respect of the employees instalment purchase plan) and $6 million in investments held for retirement of unmatured debt. This is an increase of $51 million over the previous year-end total, when holdings were $44 million in the securities investment account ($41 million in investments in the employees instalment purchase plan account) and $6 million in investments held for retirement of unmatured debt.

Of the total unmatured debt, $22,166 million is payable in Canadian dollars, $265 million in United States dollars, $108 million in Italian lire and $74 million in German deutsche marks. Securities payable in foreign currencies have been valued at official parity rates.

Summary of security issues, maturities, cancellations and redemptions

Excluding the refunding of treasury bills which mature weekly, it is expected that the government will issue securities in an amount of $6,632 million and maturities, cancellations and redemptions will total $6,120 million.

Net sales of Canada savings bonds series 24 of $4,704 million and additional net sales of series 23 of $29 million exceed maturities and redemptions of $4,359 million by $374 million bringing the total to $6,542 million at March 31, 1970.

Treasury bills in the amount of $2,895 million are $55 million more than at March 31, 1969 and consist of $1,755 million in three-month bills, $870 million in six-month bills and $270 million in special bills.

TABLE 74

(in millions of dollars)

Unmatured Debt Transactions	Fiscal year ending March 31			
	1970 (estimated)		1969	
Balance at beginning of year		22,101		20,580
New issues—				
Canada savings bonds—				
S. 22			278	
S. 23	29		3,204	
Special replacement series			802	
S. 24	4,704			
Marketable bonds	1,665		2,344	
Unemployment insurance commission bonds	169		163	
Canada pension plan bonds	4		5	
Treasury bills (net)	55		360	
Revaluation of bonds payable in deutsche marks	6			
	6,632		7,156	
Maturities, redemptions, cancellations and conversions—				
Marketable bonds—				
Matured	−1,555		−954	
Redeemed	−2		−2	
Cancelled	−125		−384	
Unemployment insurance commission bonds—				
Redeemed	−79		−83	
Canada savings bonds—				
Matured	−19		−158	
Redeemed	−4,340		−3,516	
Converted			−538	
	−6,120		−5,635	
Increase in unmatured debt		512		1,521
Balance at end of year		22,613		22,101

TABLE 75

Debt matured, Redeemed, Converted or Cancelled during the Fiscal Year Ending March 31, 1970 (estimated)

(in millions of dollars)

—	Matured	Redeemed	Cancelled	Total
Marketable bonds—				
5½% 1960-69 T 39	80.0			80.0
5½% 1962-69 AT 16	100.0			100.0
5½% 1965-69 CT 23	100.0			100.0
5½% 1967-69 F 16	130.0			130.0
5% 1964-69 CT 11	225.0			225.0
6¾% 1968-69 F 26	75.0			75.0
5½% 1962-69 AT 13	80.0			80.0
5½% 1965-69 CT 21	95.0		50.0	145.0
5¾% 1966-69 F 5	175.0		75.0	250.0
5½% 1967-69 F 19	175.0			175.0
6½% 1968-69 F 29	35.0			35.0
6% 1968-70 F 24	285.0			285.0
5% 1962-87 (NY)		1.7		1.7
	1,555.0	*1.7*	*125.0*	*1,681.7*
Non-marketable bonds—				
Canada savings bonds	19.0	4,340.3		4,359.3
Unemployment insurance		79.0		79.0
	1,574.0	4,421.0	125.0	6,120.0

AVERAGE INTEREST RATE ON UNMATURED DEBT
As At March 31
Per Cent

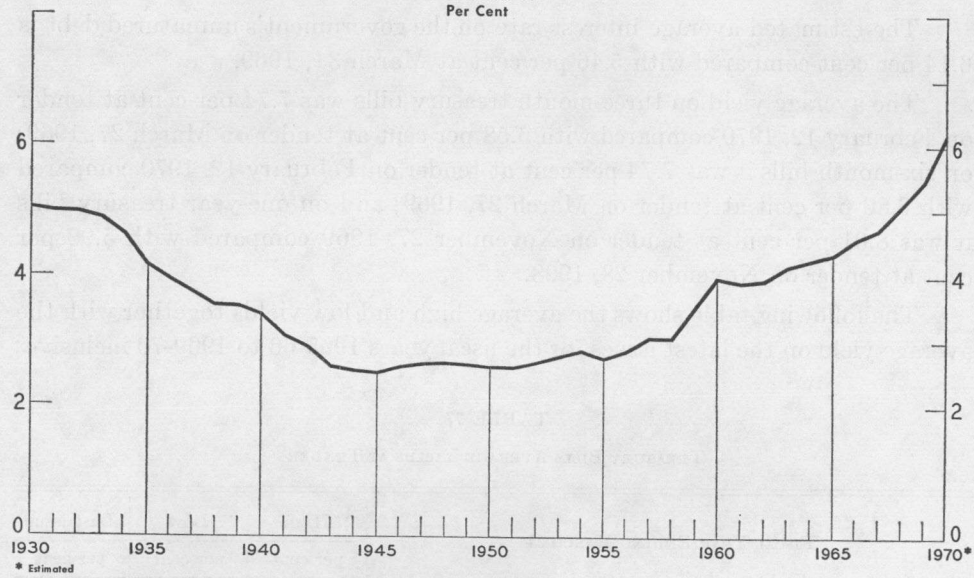


TABLE 76

NEW SECURITIES ISSUED DURING FISCAL YEAR ENDING MARCH 31, 1970
(in millions of dollars)

—		Total amount issued
Marketable bonds—		
7% 1969-70	F 36	125.0
7¼% 1969-72	F 37	235.0
7¼% 1969-74	F 38	125.0
7¾% 1969-70	F 40	130.0
8% 1969-78	F 41	125.0
7¾% 1969-70	F 42	40.0
8% 1969-73	F 43	110.0
8% 1969-70	F 44	30.0
8% 1969-71	F 45	170.0
8% 1969/70-74	F 46	425.0
8% 1969-70	F 48	75.0
8% 1970-71	F 49	75.0
6¾% Germany[1]		6.3
		1,671.3
Non-marketable bonds—		
Unemployment Insurance Commission—		
7½%		100.0
8%		69.0
		169.0
Canada savings bonds—		
Nov. 1, 1968—Nov. 1, 1983	S 23	29.0
Nov. 1, 1969—Nov. 1, 1978	S 24	4,704.3
		4,733.3
Canada pension plan		4.0
Treasury bills (net)		55.0
		6,632.6

[1] Revaluation adjustment in 1969-70.

Interest rates

The estimated average interest rate on the government's unmatured debt is 6.14 per cent compared with 5.46 per cent at March 31, 1969.

The average yield on three-month treasury bills was 7.74 per cent at tender on February 12, 1970 compared with 6.58 per cent at tender on March 27, 1969; on six-month bills it was 7.74 per cent at tender on February 12, 1970 compared with 6.80 per cent at tender on March 27, 1969; and on one-year treasury bills it was 8.01 per cent at tender on November 27, 1969 compared with 5.90 per cent at tender on November 28, 1968.

The following table shows the average high and low yields together with the average yield on the latest issues for the fiscal years 1965-66 to 1969-70 inclusive:

TABLE 77

TREASURY BILLS AVERAGE YIELDS AT TENDER

FISCAL YEAR ENDING MARCH 31	High	Low	Last issue
	per cent	per cent	per cent
Three-month bills—			
1966	5.06	3.61	5.06
1967	5.20	4.10	4.13
1968	7.01	3.96	6.98
1969	7.00	5.48	6.58
1970	7.83	6.54	(1)7.74
Six-month bills—			
1966	5.30	3.71	5.30
1967	5.33	4.04	4.11
1968	7.02	3.97	6.98
1969	7.01	5.43	6.80
1970	7.93	7.46	(1)7.74
365-day bills—			
1968	5.65	5.65	5.65
1969	6.53	5.90	5.90
1970	8.01	7.46	8.01

(1)At tender on February 12, 1970.

Indirect debt or contingent liabilities

In addition to the direct debt set out in the statement of assets and liabilities, the government has assumed certain indirect or contingent obligations. These consist of securities of the Canadian National Railways, guaranteed as to principal and interest, and a number of miscellaneous guarantees, the chief of which are the guarantee of insured loans made by chartered banks and other approved lending institutions under the National Housing Act, 1954, deposits maintained by the chartered banks in the Bank of Canada, advances under the Export Credits Insurance Act, bank loans under the Canada Student Loans Act and the Farm Improvement Loans Act and bank loans to the Canadian Wheat Board.

TABLE 78

CONTINGENT LIABILITIES

—	Amount of guarantee	Amount outstanding
	$	$
Railway securities guaranteed as to principal and interest—		
Canadian National 2⅞% due January 16, 1971	40,000,000	40,000,000
Canadian National 5½% due December 15, 1971	180,973,500	180,973,500
Canadian National 3¾% due February 1, 1974	200,000,000	200,000,000
Canadian National 2¾% due June 15, 1975, U.S. $6,000,000[1]	6,486,486	6,486,486
Canadian National 5% due May 15, 1977	79,955,000	79,955,000
Canadian National 4% due February 1, 1981	300,000,000	300,000,000
Canadian National 5¼% due January 1, 1985	93,575,000	93,575,000
Canadian National 5% due October 1, 1987	149,486,000	149,486,000
	1,050,475,986	1,050,475,986
Other outstanding guarantees and contingent liabilities—		
Deposits maintained by the chartered banks in the Bank of Canada[2]	Unstated	1,123,100,000
Loans made by lenders under Part IV of the National Housing Act, 1954 for home extensions and improvements[3]	27,500,000	22,048,000
Insured loans made by approved lenders under the National Housing Act, 1954[3][4]	11,000,000,000	7,327,000,000
Liability for insurance and guarantees under the Export Development Act[3]	900,000,000	317,029,000
Loans made by chartered banks under the Farm Improvement Loans Act	221,279,000	89,932,000
Loans made by chartered banks and credit unions under the Fisheries Improvement Loans Act	3,775,000	926,787
Loans made by chartered banks under the Small Businesses Loans Act	46,033,844	18,923,000
Loans made by chartered banks and credit unions under the Canada Student Loans Act[5]	373,000,000	358,000,000
Loans made by chartered banks to the Canadian Wheat Board[6]	655,000,000	556,531,604
		9,813,490,391
Loans maintained by approved lending institutions under National Housing Acts prior to 1954 Act	Unstated	Indeterminate
Guarantees to owners of returns from moderate rental housing projects[7]	Unstated	Indeterminate

[1]Converted at $1.08108 Canadian official parity rate.

[2]As of February 11, 1970.

[3]As of December 31, 1969.

[4]As reported (in accordance with section 45, National Housing Regulations) by approved lenders as of December 31, 1969.

[5]Includes contingent liability in respect of alternative payments to non-participating province.

[6]As of January 31, 1970.

[7]As of December 31, 1969, funds totalling $5,359,283 were held by the Central Mortgage and Housing Corporation for the purpose of settling claims. In 1969 rental contracts totalled $11,520,000.

SUPPLEMENTARY DETAILED TABLES

REVENUE

EXPENDITURE

ANNUAL CHANGES IN LOANS AND INVESTMENTS

UNMATURED DEBT

STATEMENT OF REVENUE FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1965-66	1966-67	1967-68	1968-69	1969-70 (estimated)
Tax revenue—					
Income tax—					
Personal[1][2]	2,142.5	2,473.8	2,849.6	3,356.4	4,115.0
Corporation[1][2]	1,606.6	1,593.2	1,670.6	2,030.0	2,605.0
On dividends, interest, etc., going abroad	170.0	203.6	220.5	205.6	240.0
	3,919.1	*4,270.6*	*4,740.7*	*5,592.0*	*6,960.0*
Social development tax				63.0	477.0
Excise taxes—					
Sales tax[1][2]	1,395.1	1,513.6	1,601.1	1,569.8	1,725.0
Other taxes—					
Cigarettes, tobacco and cigars	238.1	251.4	266.7	304.2	295.0
Jewellery, watches, ornaments, etc.	7.9	8.9	10.2	9.5	10.5
Matches and lighters	1.2	1.2	1.2	1.1	1.3
Television sets, radios and phonographs	27.0	31.2	32.6	35.3	41.0
Toilet preparations	14.1	15.5	17.9	18.6	21.0
Wines	4.4	4.8	5.3	5.9	7.0
Sundry commodities	2.2	1.2	1.5	1.7	2.0
Interest and penalties	1.6	1.9	2.2	2.4	2.7
Less refunds	−0.3	−0.5	−0.6	−0.8	−0.5
	296.2	*315.6*	*337.0*	*377.9*	*380.0*
Customs import duties[2]	685.5	777.6	746.4	761.7	815.0
Excise duties—					
Spirits	157.0	158.2	180.5	185.4	195.2
Beer	107.9	113.3	120.2	135.0	139.3
Cigarettes, tobacco and cigars	187.1	196.4	194.6	196.6	199.2
Less refunds	−6.1	−6.9	−6.7	−7.7	−8.7
	445.9	*461.0*	*488.6*	*509.3*	*525.0*
Estate tax	108.3	101.1	102.2	112.4	104.8
Miscellaneous tax revenue	0.2	0.2	0.3	0.2	0.2
Total tax revenue	6,850.3	7,439.7	8,016.3	8,986.3	10,987.0
Non-tax revenue—					
Return on investments	438.3	519.1	612.3	695.1	801.0
Post office—net postal revenue	237.5	253.3	281.6	310.6	353.0
Other	116.1	106.4	119.1	199.1	129.0
Total non-tax revenue	791.9	878.8	1,013.0	1,204.8	1,283.0
Total revenue	7,642.2	8,318.5	9,029.3	10,191.1	12,270.0

[1] Excluding credits to the old age security fund—

	1965-66	1966-67	1967-68	1968-69	1969-70 (estimated)
Personal income tax	494.9	576.6	800.1	915.0	1,027.0
Corporation income tax	152.3	149.5	150.0	183.0	227.0
Sales tax	522.1	559.5	544.5	528.1	569.0

[2] Net after deduction of refunds and drawbacks as well as transfers to the old age security fund.

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1965-66	1966-67	1967-68	1968-69	1969-70 (estimated)
AGRICULTURE—					
Administration and general	48.3	51.0	60.4	62.8	74.0
Production and marketing, including grants and other assistance—					
Administration and general	58.1	50.9	36.7	33.4	40.0
Agricultural commodities stabilization account—net operating loss	39.4	88.7	139.7	145.4	125.0
Research	32.6	35.4	39.7	45.3	46.0
	178.4	*226.0*	*276.5*	*286.9*	*285.0*
COMMUNICATIONS—					
Administration and general	7.6	9.5	14.5	12.8	14.0
Post Office	240.2	268.5	301.8	341.7	350.0
	247.8	*278.0*	*316.3*	*354.5*	*364.0*
CONSUMER AND CORPORATE AFFAIRS	9.0	10.4	12.9	13.7	17.0
ENERGY, MINES AND RESOURCES—					
Administration and general	2.7	3.1	4.2	4.9	5.7
Atomic Energy	54.5	60.2	69.3	72.6	75.0
Dominion Coal Board	22.7	38.0	33.6	7.2	8.2
Mines, minerals, energy and geosciences	52.2	53.9	53.9	54.8	52.6
National Energy Board	0.9	1.1	1.6	1.5	1.5
Water and coordination of renewable resources programs	25.5	31.3	40.8	38.7	44.0
	158.5	*187.6*	*203.4*	*179.7*	*187.0*
EXTERNAL AFFAIRS—					
Administration and general	34.5	39.6	48.9	54.1	56.3
Canadian International Development Agency	90.5	173.8	150.1	156.8	175.0
Assessments, contributions and other payments to international organizations and international multilateral economic and special programs	27.5	17.1	16.7	15.2	16.7
	152.5	*230.5*	*215.7*	*226.1*	*248.0*
FINANCE—					
Administration and general	9.8	21.3	19.5	22.0	27.8
Canadian Corporation for the 1967 World Exhibition—deficit					123.0
Grants to municipalities and provinces in lieu of taxes	36.8	37.6	41.5	45.1	50.0
Municipal Development and Loan Board	33.9	41.8	17.4	2.2	
Public debt charges including interest and amortization	1,110.9	1,190.5	1,300.8	1,480.0	1,704.0
Subsidies and fiscal arrangements payments to provinces	466.0	515.5	737.5	867.1	950.2
Auditor General	1.7	2.1	2.3	2.4	2.5
Insurance	1.5	1.7	1.9	1.9	1.5
	1,660.6	*1,810.5*	*2,120.9*	*2,420.7*	*2,859.0*
FISHERIES AND FORESTRY—					
Fisheries	34.5	41.5	52.6	56.2	52.0
Forestry	21.4	24.8	21.2	22.8	24.0
	55.9	*66.3*	*73.8*	*79.0*	*76.0*
GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS	0.7	0.8	1.0	1.0	1.0
INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—					
Administration and general	4.5	4.3	5.3	6.1	7.0
Conservation program	28.3	34.8	35.8	40.9	42.0
Social program	93.0	118.9	139.4	161.5	185.0
Development program	30.6	39.4	50.9	58.5	70.0
	156.4	*197.4*	*231.4*	*267.0*	*304.0*

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1965-66	1966-67	1967-68	1968-69	1969-70 (estimated)
INDUSTRY, TRADE AND COMMERCE—					
Department	134.5	143.4	163.9	179.2	262.0
Dominion Bureau of Statistics	15.6	26.6	22.5	24.7	32.0
	150.1	*170.0*	*186.4*	*203.9*	*294.0*
JUSTICE	11.4	12.2	15.4	16.9	20.0
LABOUR	24.0	24.9	10.9	11.2	13.0
Unemployment Insurance Commission—					
Administration and general	32.4	37.3	37.6	38.8	45.0
Government's contribution to the fund	65.6	68.8	69.5	86.6	100.0
	122.0	*131.0*	*118.0*	*136.6*	*158.0*
MANPOWER AND IMMIGRATION—					
Administration and general	5.0	7.9	20.6	23.4	33.8
Adult occupational training program			105.1	191.1	252.0
Capital assistance retraining facilities and manpower training research	104.1	136.2	119.3	105.9	97.0
Employment services	22.7	32.8	32.3	37.4	39.0
Immigration	14.3	20.5	21.6	29.4	26.4
Municipal winter works incentive program	41.1	37.8	30.5	21.5	0.4
Program development			2.9	4.4	6.4
Technical and vocational training assistance payments to provinces	48.7	85.2	85.6	3.0	
	236.5	*320.4*	*417.9*	*416.1*	*455.0*
NATIONAL DEFENCE—					
Administration and general	15.3	27.0	25.8	25.9	28.3
Canadian forces superannuation account—					
Government's contribution	58.8	42.6	58.4	57.0	63.1
Amortization of deferred charges	16.8	72.6	72.6	104.5	92.9
Defence services including development	1,401.3	1,435.3	1,528.2	1,507.7	1,534.1
Defence research	37.0	38.2	40.6	44.1	47.4
Mutual aid to NATO countries	14.6	18.7	18.0	15.3	14.2
Canada Emergency Measures Organization	7.7	9.2	8.0	6.3	5.0
	1,551.5	*1,643.6*	*1,751.6*	*1,760.8*	*1,785.0*
NATIONAL HEALTH AND WELFARE—					
Administration and general	2.5	3.0	3.9	4.2	5.0
Food and drug services	5.2	6.5	7.9	9.1	12.0
Health insurance and resources—					
General health and hospital construction grants to provinces	45.5	45.1	46.0	44.0	67.9
Government's contributions under the Hospital Insurance and Diagnostic Services Act	319.6	397.4	468.6	561.9	625.0
Health resources fund		4.7	32.7	33.9	37.0
Medical Care Act				33.0	180.9
Other		0.2	1.3	1.6	2.0
Health services	7.6	8.4	8.6	7.7	8.5
Medical Research Council	10.8	14.8	20.7	27.2	31.0
Medical services	37.5	38.5	42.5	45.4	42.6
Welfare services—					
Family allowances	551.7	555.8	558.8	560.2	560.4
Youth allowances	46.5	47.4	49.4	52.4	55.1
Fitness and amateur sports payments	2.5	4.7	3.6	4.0	5.0
Old age assistance, blind persons and disabled persons allowances	45.5	38.1	18.3	11.8	6.4
Unemployment assistance	101.7	143.3	6.1	1.1	
Canada assistance plan		10.5	225.6	256.8	295.3
Other	9.1	12.0	14.7	14.4	15.9
	1,185.7	*1,330.4*	*1,508.7*	*1,668.7*	*1,950.0*
NATIONAL REVENUE	95.0	105.9	115.1	120.0	143.0

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1965-66	1966-67	1967-68	1968-69	1969-70 (estimated)
PARLIAMENT—					
House of Commons	11.5	13.9	14.3	14.3	16.9
Senate	2.7	3.3	3.4	3.6	4.4
Library of Parliament	0.5	0.6	0.6	0.7	0.7
	14.7	*17.8*	*18.3*	*18.6*	*22.0*
PRIVY COUNCIL	4.8	5.6	8.1	6.3	6.7
Economic Council of Canada	1.1	1.4	1.5	1.5	1.6
Public Service Staff Relations Board			1.0	1.1	1.4
Science Council of Canada		0.1	0.4	0.4	1.3
	5.9	*7.1*	*11.0*	*9.3*	*11.0*
PUBLIC WORKS—					
Administration and general	38.9	38.0	48.4	47.3	42.0
Accommodation services	101.7	108.5	133.8	168.7	189.0
Harbours and rivers engineering services	35.4	38.1	43.9	31.5	32.0
Trans-Canada highway—contributions to provinces	83.4	81.0	64.7	37.3	35.0
	259.4	*265.6*	*290.8*	*284.8*	*298.0*
REGIONAL ECONOMIC EXPANSION—					
Department	70.5	90.2	134.8	125.7	167.0
Cape Breton Development Corporation			1.6	30.1	33.5
National Capital Commission	18.6	33.0	23.2	25.0	20.5
	89.1	*123.2*	*159.6*	*180.8*	*221.0*
SECRETARY OF STATE—					
Administration and general	9.3	13.7	28.8	24.5	15.6
Canadian Broadcasting Corporation	97.5	115.2	143.3	148.3	166.5
Canadian Film Development Corporation				0.2	0.3
Canadian Radio-Television Commission	0.4	0.6	1.0	1.9	2.2
Centennial Commission	14.6	30.2	31.2		
Chief Electoral Officer	13.0	0.9	0.7	13.5	1.0
Company of Young Canadians		0.8	2.4	1.9	2.0
Grant to Canada Council			16.9	20.6	24.5
National Arts Centre Corporation			1.0	1.1	2.1
National Film Board	6.9	8.0	9.3	10.0	11.1
National Library	0.8	1.1	1.6	1.7	2.1
National Museums of Canada	3.5	4.5	6.7	7.1	7.4
Office of the Representation Commissioner	0.8	0.2	0.1	0.1	0.1
Post-secondary education payments to provinces pursuant to the Federal-Provincial Fiscal Arrangements Act, 1967			108.0	276.6	287.0
Public Archives	1.2	1.6	2.0	2.2	4.1
Public Service Commission	7.5	10.1	12.7	12.9	16.0
University grants	27.7	87.1	0.2		
	183.2	*274.0*	*365.9*	*522.6*	*542.0*
SOLICITOR GENERAL—					
Administration and general	0.4	0.6	0.9	1.1	1.1
Correctional services	56.5	59.6	64.9	63.1	65.9
Royal Canadian Mounted Police	64.4	84.1	87.7	101.7	109.0
	121.3	*144.3*	*153.5*	*165.9*	*176.0*
SUPPLY AND SERVICES—					
Administration and general	3.2	3.9	5.4	6.7	8.9
Services	25.9	30.0	32.8	34.0	39.6
Supply	17.1	20.3	21.5	21.5	27.5
Public Printing and Stationery	3.0	4.0	4.7	3.5	4.0
	49.2	*58.2*	*64.4*	*65.7*	*80.0*
TRANSPORT—					
Administration and general	4.6	6.3	7.1	7.9	8.0
Air services	110.7	129.5	132.1	150.4	146.0
Canadian Transport Commission—					
Administration and general	2.6	3.0	3.6	4.2	9.1

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1965-66	1966-67	1967-68	1968-69	1969-70 (estimated)
TRANSPORT—*Concluded*					
Payments to railways and transportation companies under the National Transportation Act	94.7	120.9	126.0	93.7	83.5
Contributions to the railway grade crossing fund	14.0	15.0	15.0	15.0	15.0
Steamship subventions	9.4	10.8	11.1	12.2	12.4
Subsidies to air carriers	0.4	0.4	1.2	1.3	3.0
Canals and works entrusted to The St. Lawrence Seaway Authority	10.1	12.9	10.6	11.4	10.0
Marine services	77.4	91.9	92.0	91.5	97.0
Non-active assets—National Harbours Board	4.8	7.0	4.8	6.6	8.0
Railways and steamships—					
Maritime Freight Rates Act	15.1	14.4	14.2	13.9	14.5
Deficits—					
Canadian National Railways	33.4	24.6	35.8	29.2	25.0
Newfoundland ferry and terminals	12.4	13.0	16.5	16.7	16.0
Prince Edward Island car ferry and terminals	4.2	4.6	4.8	5.0	5.0
Yarmouth-Bar Harbour ferry service		(1)	0.4	0.3	0.6
Other	35.0	30.3	37.0	19.0	18.9
Central Mortgage and Housing Corporation	21.6	20.1	23.1	29.8	42.0
	450.4	*504.7*	*535.3*	*508.1*	*514.0*
TREASURY BOARD—					
Administration and general	19.0	37.8	38.3	163.6	83.5
Public service superannuation account—					
Government's contribution	57.8	59.3	59.6	66.0	73.5
Amortization of deferred charges	25.9	56.3	60.6	84.8	102.0
National Research Council	63.6	79.9	101.0	117.8	122.0
	166.3	*233.3*	*259.5*	*432.2*	*381.0*
VETERANS AFFAIRS—					
Administration and general	10.7	9.6	10.1	10.2	10.2
Pensions for disability and death	185.6	195.9	205.6	223.3	220.0
Provision for reserve for conditional benefits	3.2	3.5	4.0	4.3	4.3
Soldier settlement and veterans land act	4.5	5.2	5.5	5.3	6.0
Treatment services	49.9	57.9	61.4	71.6	71.0
Welfare services, allowances and other benefits	115.8	118.7	114.2	112.9	112.5
	369.7	*390.8*	*400.8*	*427.6*	*424.0*
	7,681.2	8,740.0	9,824.1	10,767.2	11,815.0

(1) Less than $50,000.

ANNUAL CHANGES IN LOANS AND ADVANCES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

——	1965-66	1966-67	1967-68	1968-69	1969-70 (estimated)
Loans to, and investments in, Crown corporations—					
Air Canada	0.7	3.1	0.6	50.1	88.0
Atomic Energy of Canada Limited	11.9	28.4	32.9	68.5	137.0
Canada Deposit Insurance Corporation			29.4	−5.9	
Canadian Arsenals Limited	−2.5				
Canadian Broadcasting Corporation	12.5	35.0	18.4	18.3	24.0
Canadian Commercial Corporation	2.0	4.5	6.5	−1.0	
Canadian Corporation for the 1967 World Exhibition	44.0	131.0	30.0	−57.0	−148.0
Canadian Dairy Commission		0.1	22.1	19.8	
Canadian National Railways	59.1	124.2	163.2	150.3	102.0
Canadian Overseas Telecommunication Corporation	−2.6	−2.7	2.6	−3.1	1.0
Cape Breton Development Corporation			5.2	4.8	
Central Mortgage and Housing Corporation	315.1	488.6	633.9	385.2	476.0
Eldorado Nuclear Limited					14.0
Export Development Corporation[1]	36.4	36.2	34.7	32.5	49.0
Farm Credit Corporation	147.0	164.1	169.2	128.2	90.0
National Capital Commission	7.4	7.0	0.8	−9.2	
National Harbours Board	3.0	19.5	27.8	11.1	4.0
Northern Canada Power Commission	2.1	0.8	2.9	8.5	
Northern Transportation Company Limited				2.0	3.0
St. Lawrence Seaway Authority[2]	26.7	29.8	26.7	28.8	28.0
Other				0.3	
	662.8	*1,069.6*	*1,206.9*	*832.2*	*868.0*
Loans to national governments—					
United Kingdom	[3]19.2	−18.9	−19.2	[3]18.1	−19.7
Export Credits Insurance Act	−2.3	−2.3	−2.3	−2.3	−2.3
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada	−1.3	−9.9	−0.3		
Loans to India for the purchase in Canada of aircraft and associated spare parts and equipment	−2.2	−2.4	−2.7	−1.3	
Special loan assistance—developing countries	5.2	9.8	29.1	48.5	86.0
Other		0.1	−0.1	0.1	
	18.6	*−23.6*	*4.5*	*63.1*	*64.0*
Other loans and investments—					
Subscriptions to capital of, and working capital advances and loans to, international organizations—					
Canada's subscription to capital of—					
Asian development bank		2.7	2.7	2.7	2.7
International monetary fund		205.4			
International bank for reconstruction and development		4.5			
International development association	15.0	15.0	15.0	27.1	27.0
Working capital advances and loans to international organizations	−0.1	−0.1	−0.3	−0.3	
Loans to provincial governments	−1.7	26.8	64.2	82.6	11.0
Municipal development and loan board	101.3	122.3	48.5	1.6	−8.0
Veterans land act advances	24.1	55.2	71.5	38.7	60.0
Balances receivable under agreements of sale of Crown assets	−1.7	−1.2	0.1	−0.2	
Housing projects for Canadian forces	0.2	−0.1	1.1	0.1	
Old age security fund	−25.0				
Loans to manufacturers of automotive parts in Canada	0.1	12.5	7.9	1.1	11.0
Defence plant modernization			10.2	4.4	9.0
Other	10.9	7.8	10.3	11.3	19.0
	123.1	*450.8*	*231.2*	*169.1*	*131.7*
Net total of changes in loans and investments	804.5	1,496.8	1,442.6	1,064.4	1,063.7

[1] Formerly the Export Credits Insurance Corporation.

[2] Includes deferred interest.

[3] Deferred interest.

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1970
AND THE ANNUAL INTEREST THEREON (estimated)

—	Date of maturity	Rate per cent	Amount of loan	Annual interest
			$	$
Payable in Canadian dollars—				
Loan of 1936 P 1	Perpetual	3	55,000,000	1,650,000
Loan of 1958 T 24	1970 May 1	3½	200,000,000	7,000,000
Loan of 1968 F 34	May 1	6¼	50,000,000	3,125,000
Loan of 1969 F 36	May 1	7	125,000,000	8,750,000
Loan of 1965 and 1966 CT 19	July 1	5	175,000,000	8,750,000
Loan of 1966 and 1967 F 2	July 1	5	140,000,000	7,000,000
Loan of 1969 F 40	July 1	7¾	130,000,000	10,075,000
Loan of 1968 F 27	Oct. 1	7	275,000,000	19,250,000
Loan of 1968 F 30	Oct. 1	6¾	105,000,000	7,087,500
Loan of 1969 F 42	Oct. 1	7¾	40,000,000	3,100,000
Loan of 1969 F 44	Oct. 1	8	30,000,000	2,400,000
Canada savings bonds, 1957 S 12	Nov. 1	4¾	40,300,000	1,914,250
Canada savings bonds, 1960 S 15	Nov. 1	5	44,900,000	2,245,000
Loan of 1966 F 8	Dec. 15	5¾	300,000,000	17,250,000
Loan of 1969 F 48	Dec. 15	8	75,000,000	6,000,000
Loan of 1967 F 20	1971 Apr. 1	6	225,000,000	13,500,000
Loan of 1968 F 35	Apr. 1	6¼	200,000,000	12,500,000
Loan of 1964 CT 15	June 1	5	350,000,000	17,500,000
Loan of 1970 F 49	June 1	8	75,000,000	6,000,000
Loan of 1968 F 21	Oct. 1	6¼	200,000,000	12,500,000
Loan of 1969 F 45	Oct. 1	8	170,000,000	13,600,000
Canada savings bonds, 1961 S 16	Nov. 1	5	44,200,000	2,210,000
Loan of 1967 and 1968 F 17	Dec. 15	6	285,000,000	17,100,000
Loan of 1969 F 37	1972 Apr. 1	7¼	235,000,000	17,037,500
Conversion loan, 1958 T 28	Sept. 1	4¼	1,267,203,100	53,856,132
Loan of 1969 F 43	1973 Feb. 1	8	110,000,000	8,800,000
Loan of 1968 F 25	Apr. 1	7	475,000,000	33,250,000
Loan of 1965 CT 17	Oct. 1	5	275,000,000	13,750,000
Loan of 1967 F 11	Oct. 1	5	200,000,000	10,000,000
Canada savings bonds, 1958 S 13	1973 Nov. 1	4¼	20,100,000	854,250
Loan of 1967 F 22	Dec. 1	6¼	225,000,000	14,062,500
Loan of 1969 F 38	1974 Apr. 1	7¼	125,000,000	9,062,500
Loan of 1968 F 28	June 15	7	250,000,000	17,500,000
Loan of 1969 and 1970 F 46	Oct. 1	8	425,000,000	34,000,000
Canada savings bonds, 1964 S 19	Nov. 1	5	71,000,000	3,550,000
Loan of 1967 F 14	Dec. 1	5½	100,000,000	5,500,000
Loan of 1968 F 32	1975 Apr. 1	6½	200,000,000	13,000,000
Loan of 1959 T 36	Oct. 1	5½	310,361,000	17,069,855
Loan of 1965 CT 24	Oct. 1	5½	50,000,000	2,750,000
Loan of 1967 F 9	Oct. 1	5½	70,000,000	3,850,000
Canada savings bonds, 1963 S 18	Nov. 1	5	75,800,000	3,790,000
Loan of 1960 T 38	1976 Apr. 1	5½	436,198,000	23,990,890
Loan of 1954 T 11	June 1	3½	247,046,500	8,029,011
Canada savings bonds, 1962 S 17	Nov. 1	5½	118,600,000	6,523,000
Canada savings bonds, 1965 S 20	1977 Nov. 1	5	66,500,000	3,325,000
Loan of 1953 and 1958 T 5	1978 Jan. 15	3¾	207,911,500	7,796,681
Loan of 1969 F 41	July 1	8	125,000,000	10,000,000
Special replacement series	1978 Oct. 1	7	261,400,000	18,298,000
Canada savings bonds, 1969 S 24	Nov. 1	7	4,704,300,000	329,301,000
Loan of 1954 T 13	1979 Oct. 1	3½	343,246,500	11,155,511
Canada savings bonds, 1966 CS	Nov. 1	5	277,200,000	13,860,000
Loan of 1962 AT 14	1980 Aug 1	5½	112,396,000	6,181,780
Loan of 1966 CT 26	Aug. 1	5½	78,929,000	4,341,095
Loan of 1966 and 1967 F 3	Aug. 1	5½	160,000,000	8,800,000
Canada savings bonds, 1967 S 22	Nov. 1	5¼	167,000,000	8,767,500
Canada savings bonds, 1968 S 23	1982 Nov. 1	6½	651,000,000	42,315,000
Conversion loan, 1958 T 29	1983 Sept. 1	4½	1,992,679,450	89,670,575
Loan of 1963 AT 21	1988 June 1	5	100,000,000	5,000,000
Loan of 1964 CT 9	June 1	5	50,000 000	2,500,000
Loan of 1964 and 1965 CT 12	1990 May 1	5¼	225,000,000	11,812,500
Loan of 1967 F 12	May 1	5¼	125,000,000	6,562,500
Loan of 1966 and 1967 F 6	1992 Sept. 1	5¾	225,000,000	12,937,500
Loan of 1968 F 33	1995 Oct. 1	6½	100,000,000	6,500,000
Conversion loan, 1956 T 15	1998 Mar. 15	3¾	197,045,000	7,389,188
Three-month treasury bills		various	1,755,000,000	135,805,000
Six-month treasury bills		various	870,000,000	67,948,500
268-day treasury bills		7.50	20,000,000	1,500,000
308-day treasury bills		7.46	175,000,000	13,055,000

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1970 AND THE ANNUAL INTEREST THEREON (estimated)—*Concluded*

—	Date of maturity	Rate per cent	Amount of loan	Annual interest
			$	$
Payable in Canadian dollars—*Concluded*				
364-day treasury bills		8.01	75,000,000	6,007,500
Special non-marketable bonds—				
Unemployment Insurance Commission		5	68,000,000	3,400,000
Unemployment Insurance Commission		5½	12,000,000	660,000
Unemployment Insurance Commission		5¾	54,000,000	3,105,000
Unemployment Insurance Commission		6	92,000,000	5,520,000
Unemployment Insurance Commission		6½	71,000,000	4,615,000
Unemployment Insurance Commission		7½	100,000,000	7,500,000
Unemployment Insurance Commission		8	69,000,000	5,520,000
Canada pension plan investment fund		various	15,300,000	1,000,000
			22,166,616,050	1,362,882,218
Payable in United States dollars—				
Loan of 1949	1974 Sept. 1	2¾	48,755,627	1,340,780
Loan of 1950	1975 Sept. 15	2¾	30,301,591	833,294
Loan of 1962	1987 Oct. 15	5	77,837,760	3,891,888
Loan of 1968	1988 June 1	6⅞	108,108,000	7,432,425
			265,002,978	13,498,387
Payable in German deutsche marks—				
Notes of 1968	1973 June 1	6¾	73,844,250	4,984,487
Payable in Italian lire—				
Notes of 1968	1970 May 15	5¾	34,594,560	1,989,187
Notes of 1968	1971 May 15	5⅞	36,324,288	2,134,052
Notes of 1968	1972 May 15	6	37,189,152	2,231,349
			108,108,000	6,354,588
			22,613,571,278	1,387,719,680

The interest shown is a projection for one year at the annual rates on principal amounts outstanding at March 31, 1970. Where various rates of interest are applicable during the term of a loan the interest rate in effect at March 31, 1970 has been used.

Bonds payable in New York, Germany and Italy have been converted at the official parity rate.

HOUSE OF COMMONS

Friday, March 13, 1970

The House met at 11 a.m.

ROUTINE PROCEEDINGS

JUSTICE AND LEGAL AFFAIRS

Seventh Report of Standing Committee on Justice and Legal Affairs—Mr. Hogarth.

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

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INFLATION—SELECTIVE APPLICATION OF CONSUMER CREDIT CURBS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Finance arising out of his announcement of his intention to introduce legislation to impose curbs or restrictions on the granting of consumer credit. Has the minister considered any degree of selectivity in the application of these credit curbs so as to avoid their application to products manufactured in Canada, or products generally that are suffering from a depressed market in Canada?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, of course this would depend on the terms which would be established for the purchase of various products, and I would think that in the case of automobiles, for example, the terms of credit would be such that they would not affect the sale of automobiles seriously in this country.

Mr. Stanfield: Mr. Speaker, I would like to ask a supplementary question. In addition to the terms upon which credit would be restricted, would the minister consider exempting, for example, products such as industrial rubber goods from the scope of these curbs in view of the depressed market that exists in Canada? I ask this question in view of the closing of Dunlop, and the announced cutbacks, lay-offs or at least temporary shutdown in the Goodyear plant?

Mr. Benson: Mr. Speaker, I think that these are largely the result of the softening in the automobile market and, as I indicated, special considerations would be provided in the case of automobiles.

Mr. Stanfield: One final supplementary, Mr. Speaker. Does the minister consider it is really necessary in the interests of controlling inflation to curb further the sale of products for which the market is already depressed in this country?

Mr. Benson: Mr. Speaker, I covered that point exactly, a minute ago.

PENSIONS

OLD AGE SECURITY—ACTION DURING PRESENT SESSION TO MEET EMERGENCY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister and I put it to him because it involves more than one department. In view of the fact that old age pensioners have recently had their hopes raised that something might be done for them either by a pension increase or by relief from taxation, and in view of the fact that nothing has yet been done, will the government consider some emergency measure to come to the aid of these people before many thousands of them are starved out of existence?

Some hon. Members: Oh, oh!

Mr. Valade: Let's talk about the just society.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question, if the Prime Minister is not going to answer that one. Will there be any action on behalf of old age pensioners at this session of Parliament?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of National Health and Welfare has said repeatedly that this problem would be dealt with as part of our over-all review of social security. If expectations have been raised in the manner the hon. member says, it has not been done by this government.

Inquiries of the Ministry

Mr. Speaker: The right hon. member for Prince Albert.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my supplementary question might be directed to the Minister of Finance. Senator Croll, who of course is very close to the government, said it was expected that action would be taken to assist the old age pensioners having regard to the terrible position in which many of them find themselves as a result of the high cost of living. Will the minister say whether action will be taken or are the old age pensioners to be left in a state of suspended animation without hope?

Mr. Speaker: Order, please. The right hon. member is repeating essentially the question asked by the hon. member for Winnipeg North Centre.

Mr. Diefenbaker: No, Mr. Speaker. With great respect, we cannot get an answer from the Prime Minister so I thought that possibly the Minister of Finance, who is usually very voluble outside the House, would be able to give an answer.

Mr. Speaker: The hon. member for Yorkton-Melville.

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question for the Minister of Finance, Mr. Speaker. Is it still the belief of the Minister of Finance that a pensioner can live on less than $30 a week?

An hon. Member: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Marquette.

NATURAL RESOURCES

WILDLIFE—INCREASED PAYMENTS UNDER DOLLARS FOR WETLANDS PROGRAM

Mr. Craig Stewart (Marquette): Thank you, Mr. Speaker. I should like to direct my question to the Minister of Indian Affairs and Northern Development. In conjunction with the acreage reduction program for western farmers, is his department, through the Canadian Wildlife Service, actively promoting and continuing the dollars for wetlands program?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, there has been no change in the policy of the Canadian Wildlife Service and as regards the question brought up by the hon. member, I will be pleased to inquire and give him a reply. The same policy must still be in force.

[*English*]

Mr. Stewart (Marquette): A supplementary question, Mr. Speaker. This is a worthy program to protect our wildlife. Because of the serious shortage of cash for western farmers, would the minister consider increasing and making more realistic payments under this program?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will be pleased to consider the hon. member's excellent suggestion.

[*English*]

EXTERNAL AFFAIRS

EXPANSION OF U.S. ABM SYSTEM—COMMUNICATION WITH PRESIDENT OR GOVERNMENT REPRESENTATIVES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Prime Minister. In light of his indications in the House a week or two ago of disquiet about the United States government's decision to expand the anti-ballistic missile system, has the Prime Minister since that date had any communication with the President of the United States or representatives of the United States government on the subject and, if so, would he make a statement to the House about it?

Right Hon. P. E. Trudeau (Prime Minister): The answer is no, Mr. Speaker.

[*Translation*]

BILINGUALISM AND BICULTURALISM

NON-PUBLICATION OF REPORT ON TELEVISION PROGRAM CONTENT

Mr. René Matte (Champlain): Mr. Speaker, I wish to ask the Prime Minister a question.

Did the Dunton-Gagnon Commission tell him why the report prepared by sociologists Monique Mousseau and Line Ross, on the contents of English and French TV programs, has not yet been published?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I am not aware of that. I shall inquire thereupon and see if there is an answer to that. I did not know that such a study had been conducted.

Mr. Matte: Mr. Speaker, I have a supplementary question.

The Prime Minister does not seem to be aware of anything, since yesterday, for—

[*English*]

Mr. Speaker: Order, please. The hon. member for Hillsborough.

NATIONAL PARKS

PRINCE EDWARD ISLAND—ACQUISITION OF LAND FOR SECOND PARK

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. It concerns specifically his department's announcement regarding a second national park in Prince Edward Island, something which is most welcome, and also the announcement that the federal government and the province will acquire the land on a shared-cost basis. Is the minister in a position to indicate the proportion which the dominion government will assume?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this project has not been definitely announced. My Parliamentary Secretary met with the premier of Prince Edward Island this week, and they made considerable progress with this plan to establish a second national park in Prince Edward Island. No agreement has been drawn up yet and federal government payments will come under the policy established in British Columbia whereby we pay 50 per cent of the purchase price of land situated along the coast.

[*English*]

Mr. Macquarrie: A supplementary question, Mr. Speaker. May I ask the minister if he has any idea when these discussions will end and the progressive development of the park begin?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I understand that my Parliamentary Secretary and the premier of Prince Edward Island have agreed to start drafting an agreement and should meet again within a month.

[*English*]

BONNE BAY, NFLD.—PROGRESS OF DISCUSSIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. Can the minister advise the House if any progress has been made in the discussions between the government of Newfoundland and the government of Canada with respect to the acquisition of land for the Bonne Bay park in western Newfoundland?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The situation is the same, Mr. Speaker.

[*English*]

AIR CANADA

SWITCHING OF AIR BUS ORDER FROM LOCKHEED TO ANOTHER MANUFACTURER

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in the absence of the Minister of Transport may I direct my question to his Parliamentary Secretary. In view of the order by Air Canada for 12 air buses from Lockheed and in view of that company having indicated that it cannot continue unless it receives substantial financial assistance from the United States government to the extent of $641 million, has Air Canada considered switching its order to another manufacturer?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will seek information from the department and try to give the hon. member an answer.

Mr. Ritchie: A supplementary question, Mr. Speaker. Would the Parliamentary Secretary also inquire as to the status of Lockheed's agreement to maintain Air Canada facilities at Winnipeg on which its air bus order was based?

TRADE

GRAIN—SUGGESTED PERMANENT FOREIGN SALES MISSIONS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, may I direct a question to the Minister of Agriculture. In view of the statement by the Secretary General of the Canada Grains Council that we should have permanent foreign selling missions to promote Canadian grains if Canada is to retain her markets and gain new markets, can the minister tell the House whether the government is actually considering the establishment of such foreign marketing missions?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, when the Canada Grains Council was set up it was envisaged that it would

look into this matter and make recommendations and, indeed, become involved in this kind of activity.

Mr. Skoberg: A supplementary question, Mr. Speaker. Could the minister give a direct answer to my question? Is the government considering the setting up of such missions throughout the world?

Mr. Olson: Mr. Speaker, I have not received a direct communication from the Secretary General of the council. All I know today is what I have read in the press about the paper he presented to a conference in Winnipeg.

GRAIN

WHEAT—TERM OF APPLICATION OF NEW QUOTA SYSTEM

Mr. A. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the announcement of the new quota system, regardless of whether or not there will be a dollar incentive next year will the new quota arrangement be in effect the following year so that farmers can work out their own salvation to some extent?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, it is difficult at this point in time to make a definite decision on that, although there have been some discussions. What the quota will be based on for 1971-72 will to a large extent depend on the success of the wheat inventory reduction program being offered to western farmers this year.

Mr. Korchinski: A supplementary question, Mr. Speaker. In view of the uncertainty about whether quotas under the acreage reduction program will take into account the whole of last year's summerfallow, could this be made part of the over-all plan for this year's quota?

Mr. Olson: Mr. Speaker, it is very difficult to answer that kind of question because the preamble, if you can call it that, is not accurate. Part of the summerfallow for 1969 has been considered and taken into account for this year's quota.

[*Later:*]

Mr. Korchinski: May I ask the Minister of Agriculture in all sincerity whether his department and the department responsible for the Wheat Board intend to follow through with the same type of quota system next year in view of the fact that many of the farmers may increase their wheat acreage this year in the hope that they may recapture some of the wheat acreage quota lost this year by delivery to the Wheat Board on next year's quota?

Mr. Speaker: Order. It is my understanding that the hon. member is inviting the minister to make a statement on motions. Perhaps the minister would reply in those terms.

Mr. Olson: No. Mr. Speaker, I do not wish to make a statement today but I would refer to a reply I gave to a similar question some time ago. The changes which may be necessary for the 1971-72 crop year are very much dependent on what happens in 1970. While there may be uncertainty related to weather and farmers' planting intentions, one thing which is not uncertain is that we have about 500 million bushels more wheat than we should have in the inventory.

TRADE

WHEAT—POTENTIAL SALE TO BRAZIL

Mr. A. P. Gleave (Saskatoon-Biggar): In the absence of the Minister without Portfolio in charge of the Wheat Board, I want to direct my question to the Minister of Agriculture. Has the minister or the appropriate department been informed of a potential sale of wheat to Brazil, as stated by Mr. Dever, the Secretary General of the Canada Grains Council? If so, can he inform the House what immediate action is being taken to exploit this sales opportunity?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): A long time ago, Mr. Speaker. The negotiations have been going on for quite a while. We must consider it to be great news each time somebody discovers that there is a possibility of a sale somewhere in the world. I think the Wheat Board and the Department of Industry, Trade and Commerce also have good sources of information.

[*Translation*]

TEXTILES—ANNOUNCEMENT OF NEW GOVERNMENT POLICY

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to ask a question to the Minister of Industry, Trade and Commerce.

Since he seems prepared to answer questions this morning, I should like to know if, after the speech delivered last evening by the Minister of Finance, who did not provide any assistance or protection measures for the textile industry which is presently threatened and plagued by rather severe unemployment,

he can tell the House what he intends to do to protect this industry, particularly in the province of Quebec?

Mr. Speaker: The minister may answer briefly but if he wants to make a lengthy statement, he should make it on motions. However, he may give a short answer to the important question of the hon. member.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already stated that I hope to make a statement on that subject in the near future. If the hon. member has some fabulous, original and new ideas to offer, I shall be happy to hear them.

Mr. Valade: Mr. Speaker, I would like to ask a supplementary question in reply to the minister's invitation.

Among favourable suggestions, would the minister be willing to make a statement today or next week on the measures he intends to take, after which we shall be able to make good and useful proposals?

Mr. Pepin: Why not before?

AGRICULTURE

FEED GRAIN—DIFFICULTIES IN ESTABLISHING PRICES

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

The chief commissioner of the Canadian Wheat Board, Mr. McNamara, has stated to the committee on agriculture that constitutional obstacles prevented the federal government from establishing minimum and maximum prices for feed grain raised in a province. Can the Minister of Agriculture tell the House whether studies have been made, in order to overcome those obstacles?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker.

GRAIN

WHEAT—REVERSION TO CULTIVATED ACREAGE QUOTA SYSTEM IN 1972

Mr. Cliff Downey (Battle River): I have a question for the Minister of Agriculture. I would like an indication from the minister as to whether in 1972 we will be reverting to the same type of quota system on the cultivated acreage basis that we had previously?

Mr. Speaker: Order, please. I am not sure the question is in order at this time. The hon. member is referring to policy affecting 1972. Because of this I wonder whether the question is in order. If the minister, who is an expert in these matters, feels there is some urgency, he might reply.

Hon. H. A. Olson (Minister of Agriculture): I agree with Your Honour's interpretation. There is some dependence on what happens in 1970 as to what the program will be for the ensuing years.

BARLEY—VOLUME OF SHIPMENTS TO MALTSTERS

Mr. George Muir (Lisgar): I have a supplementary question which normally I would direct to the Minister without Portfolio responsible for the Wheat Board, but because of the importance to the barley producers of the west, I will direct it to the Minister of Agriculture. In view of the loss of identity in barley shipped to maltsters unless it is shipped in carload lots, will the minister give serious consideration to maintaining over-delivery of barley to the maltsters in order that this large market for domestic barley will not be lost to our producers?

Hon. H. A. Olson (Minister of Agriculture): There is no question of this market being lost to our producers. The most equitable technique is used to ensure that the maltsters receive the quality of barley that they require. This is a matter for consideration. Certainly no restrictions will be placed in the way of them obtaining the supplies that they require.

RESEARCH

SUGGESTED GRANT TO CANADIAN PEACE RESEARCH INSTITUTE

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Prime Minister about a matter in which I understand he demonstrated some interest as a private citizen before he assumed office. Does the government have under active or current consideration the question of granting some financial support to the Canadian Peace Research Institute, let us say, of the order of a quarter of one per cent of what we provide for the Department of National Defence?

Mr. Speaker: I would suggest to the hon. member that although the question is an important one it is one which ought to be placed on the Order Paper.

Inquiries of the Ministry

INDIAN AFFAIRS

INDIANS AND MÉTIS—APPOINTMENT OF PAROLE SUPERVISORS OF SAME ANCESTRY

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Solicitor General. Having regard to the growing role of the National Parole Board and the importance of this service in the rehabilitation of Canadians of Indian ancestry, would the hon. gentleman consider appointing supervisory personnel from the Indian and Métis groups so that supervision might be carried out within the communities of those concerned?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker. Some 40 members of that community are now receiving training under a scheme worked out in conjunction with the Indian Affairs Branch with a view to their employment in the correctional field as supervisors or otherwise. So there will be people of that ancestry working with parolees of similar ancestry.

Mr. Dinsdale: Could provision be made for members of the Métis community to receive the same opportunity for training?

Mr. McIlraith: Yes, Mr. Speaker. On Tuesday last we held a meeting with the Manitoba representatives of the Indian and the Métis people and I gave an undertaking that we would examine the possibility of setting up a similar training scheme for Métis. So the supervision of parolees from that segment of society would be undertaken by people of the same ancestry.

OIL

CANADIAN POLICY AND NORTH AMERICAN SECURITY

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Energy, Mines and Resources a question suggested by statements attributed to United States officials following the President's statement earlier in the week. Has the government of the United States, or spokesmen on its behalf, indicated directly to the government of Canada that in the view of the United States government our Canadian oil policy constitutes a threat to the security of North America?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): In our conversations earlier in the year the question of security did come up. I believe the term "security" as it is used with respect to oil supply means security of supply. I do not think the reference is to national security in terms of defence. Certainly United States policy over the years has been based on the concept of security of supply from domestic sources. We have maintained—and I think this is so—that the Canadian position is different, that our policy cannot be identical to theirs because of the different circumstances that prevail in Canada.

Mr. Stanfield: A supplementary question. Has anybody on behalf of the United States government suggested to the government of Canada that we ought to reduce our imports of oil into Canada in order to foster a secure supply of oil in North America?

Mr. Greene: Mr. Speaker, different views have been stated from time to time by different officials in the course of discussions. There are, of course, two views on the question of our importation of oil. One is directed toward security of supply, which might be diminished in the event that offshore oil, by reason of circumstances prevailing in other countries, could not be obtained. The other view concerns making our markets available to Venezuelan oil, as does the United States. I think this is in accord with the view taken by the United States as well as ourselves in regard to our foreign policy toward Latin America.

Mr. Stanfield: One further supplementary question. Would the minister specifically answer the question whether the United States has made representations to Canada to the effect that we ought to reduce our imports, and thus our reliance upon imports, of oil from outside the country?

Mr. Greene: Mr. Speaker, I do not think that representation has ever been made. I think the Secretary of State for External Affairs pointed out that our discussions with the United States since last March, when the President and the Prime Minister originally took the initiative in the matter of energy discussions, have been sporadic and on a broad plane. No firm positions have been taken by the United States or by Canada; and no position such as suggested by the hon. gentleman has been taken.

Mr. John Burton (Regina East): A supplementary question, Mr. Speaker. Will the minister undertake to make a full statement on motions next week outlining the state of the negotiations between Canada and the United States on energy policy?

Mr. Greene: Mr. Speaker, I think I have stated the state of the negotiations. They are sporadic and are continuing. I do not think the President's declaration of this week will speed up those negotiations or propel them in any way. When there is anything specific to announce, or when arrangements have been made or a position has been taken by the Canadian government, this will be announced in this House or in whatever public manner is proper.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, a supplementary question. I wonder whether the minister could advise the House if any officials of the United States administration or any cabinet minister has indicated directly to the government of Canada that the national oil policy that has been in force in Canada over these past several years has constituted a direct threat to the security of oil supplies to North America?

Mr. Greene: No, Mr. Speaker, that position has never been taken, although the question of security of supplies has certainly been a matter of discussion from time to time.

Mr. Lambert (Edmonton West): A further supplementary question.

Mr. Speaker: Order. I suggest that we should pass on to another subject at this moment. There are a large number of members still waiting for an opportunity to ask other questions.

Mr. Lambert (Edmonton West): With the greatest respect, Mr. Speaker, this is a most important subject, as I think Your Honour realizes, and there are some fundamental questions with regard to which I think the government can furnish information to the House.

Mr. Speaker: Order, please. The hon. member is suggesting that this is the most important subject. Yesterday it was another subject that was the most important and on which hon. members wanted to ask questions for the whole question period. The Chair has to make an adjudication. I feel embarrassed when I see some hon. members who are anxious to ask questions and who are very patient from day to day. Sometimes they do lose their patience and I cannot blame them entirely. I am sure that in a moment we will have time to return to the hon. member for Edmonton West.

Inquiries of the Ministry

INDIAN AFFAIRS

NORTHERN QUEBEC—TRANSFER OF JURISDICTION OVER ESKIMOS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, would the Minister of Indian Affairs and Northern Development say whether or not representations have been received by him from Eskimos in northern Quebec, in particular from the Eskimo Council of Sugluk, the Eskimo Community Council of Great Whale River and several others, taking the strongest possible objection to having jurisdiction over any of their rights taken away or removed by the federal government? At the same time, will the minister say what happened to the meeting that he said would take place between officials of the government of Canada and the government of Quebec in connection with these people?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, indeed, I have received representations from some New Quebec groups recently. I am preparing to reply to them and to establish the government policy concerning New Quebec. As regards the officials of the federal and provincial governments, they are still in the northern areas. They have visited most localities and should submit their report to the responsible authorities immediately upon their return.

[*English*]

Mr. Diefenbaker: A supplementary question. A number of requests have been made that these people be heard, and they are asking to be heard instead of being pushed around. Will the minister give the assurance that these Canadians will not be denied the rights of other Canadians and placed in the position of being chattels as a result of the action of the federal government?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I object to the very colourful words used by the right hon. member. I have myself visited the New Quebec territories last Summer, and I have since despatched officials of my department—they are accompanied by provincial officials—to consult with the Eskimos. No decision has been reached as yet. That means that we are having consultations with the Eskimos and, in that respect, I must say to the right hon. member that I have been the first Minister of Indian Affairs and Northern Development to

meet with the Eskimos of New Quebec, whereas during the administration of the right hon. gentleman, nobody bothered to go and meet them.

Some hon. Members: Hear, hear.

[*English*]

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please. I suppose the right hon. gentleman has a further supplementary, and I will recognize him in a moment. Again I ask all hon. members to co-operate with the Chair so that we can get on as quickly as possible with as many questions as possible.

Mr. Diefenbaker: Mr. Speaker, this is a matter that affects Canadians as a whole.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Hon. members on the government side laugh. The minister said that he was the first to visit the Eskimos. They say that he was the first not to listen to them. I would ask the minister this question: If a private member like myself wanted to go to this area, would he have the co-operation of officials of the Canadian government and the minister's department so that this matter could be looked into and justice done?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will always be pleased to invite the right hon. member to come with me. I fact I did invite him to come to meet the Indians of his own constituency, but he could not accept my invitation.

[*English*]

Mr. Diefenbaker: On a question of privilege, Mr. Speaker, what the hon. gentleman offered me was a trip to Prince Albert. I am talking about those areas in northern Quebec where these people are being neglected by the government.

Mr. Speaker: Order, please. The hon. member for Broadview.

[*Translation*]

Mr. Chrétien: Mr. Speaker—

Mr. Speaker: Order. I regret to interrupt the minister, but time is running out.

[*English*]

Mr. Dinsdale: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member is rising on a question of privilege.

[Mr. Chrétien.]

Mr. Dinsdale: Mr. Speaker, the Minister of Indian Affairs and Northern Development has indicated that he is the first Canadian minister to visit the area of new Quebec. I would wish to inform him that I visited Great Whale River—

Mr. Diefenbaker: He has no records at all in his department.

Mr. Dinsdale: —as early as 1961 to ensure—

Mr. Speaker: Order, please.

Mr. Dinsdale: —that the Eskimos there have the very basic rights of all Canadians.

Mr. Speaker: Order, please. The hon. member does not have a question of privilege.

HOUSING

DECLINE IN STARTS—MEETING WITH BUILDING CONTRACTORS AND INVESTMENT COMPANIES

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question on the most important subject this week, and that is why my question is directed to the minister without housing in charge of portfolios.

Some hon. Members: Oh, oh!

Mr. Gilbert: I apologize for that Freudian slip, Mr. Speaker. In view of the serious decline in housing starts for the first two months of this year, I should like to ask the minister whether he is intending to call the building contractors and investment companies together to discuss ways and means to solve this serious problem?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, my reply to the hon. member who would like to be the minister without housing in charge of portfolios would be that this is the same question he asked the other day. I am consulting regularly with all those who are involved and concerned with this matter, and that is essentially what I said to him in response to this question the other day.

POWER

MINAS BASIN—PUBLICATION OF STUDY

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Energy, Mines and whatnot; I forget the third title for the moment.

An hon. Member: Hot air.

Mr. McCleave: Could the hon. minister advise when the feasibility study on Bay of Fundy power might be made public?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Very soon, Mr. Speaker.

HOUSING

AVAILABILITY OF FUNDS FOR REHABILITATING HOMES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister without Portfolio in charge of housing. In the plans to make $200 million available for housing for low income groups, will consideration be given to making part of this sum available for the acquisition or perhaps rehabilitation of existing housing for lower income groups?

Hon. Robert K. Andras (Minister without Portfolio): Yes, Mr. Speaker, we are seriously considering such a use of these funds which are in fact capital funds. We are looking at that kind of proposition.

SUSPENSION OF CMHC LOANS IN LARGER CITIES

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a supplementary question to the Minister without Portfolio in charge of housing. Can he tell the House whether CMHC has cut off housing loans in cities of over 10,000 population and, if so, why?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, in my statement on the capital budget I indicated that the Section 40 allocation of $110 million would be reserved primarily for remote areas, small communities and new resource towns. In so far as the Section 40 allocation of $110 million is concerned, it is going to those kind of areas. But all the other funds of the CMHC capital budget are available including the $200 million reserve fund and we are working out approaches to the larger urban centres.

[*Translation*]

EXTERNAL AFFAIRS

NIAMEY—COMPOSITION OF CANADIAN DELEGATION TO EDUCATIONAL CONFERENCE

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Prime Minister.

We heard, last night, that Quebec would take part in the Niamey conference. Would the Prime Minister advise the House if, according to conditions that led to acceptance by Quebec, this province will have a special place at this conference?

Right Hon. P. E. Trudeau (Prime Minister): I do not know, Mr. Speaker, if Quebec wants to feel that it occupies a special place but, as far as I know, all the provinces will hold a special place among the Canadian delegation, in the sense that every province will be able to display its own flag along with the Canadian flag, etc. I think there is a real effort being made to reconcile both parties. The result is a gratifying one for all participating provinces as well as for the federal government.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary question for the Prime Minister.

Could he tell the House whether, when it is time to vote, Canada will abstain from voting on cultural matters and will let the province of Quebec do it?

Mr. Trudeau: Mr. Speaker, nothing was said about this during the discussions between the federal and the provincial governments. Such a formula would surely not be acceptable.

Mr. La Salle: Mr. Speaker, I have a supplementary question.

Considering that, at Niamey, Quebec will be signing the treaty for the creation of the Agence francophone, does this entitle that province to some privilege? Shall all provinces have the same right?

Mr. Trudeau: Mr. Speaker, the Canadian delegation alone will be signing the agreement. Obviously, in addition to the chairman of the delegation, there will be the representatives of the different provinces, but it is the Canadian delegation that will sign and not the provincial delegates.

[*English*]

THE CANADIAN ECONOMY

PROPOSED TAKEOVER OF DENISON MINES LIMITED BY U.S. INTERESTS—LEGISLATIVE ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the right hon. Prime Minister. In view of his emergency announcement on March 2 that steps would be taken to prevent the sale to a

foreign owner of what turned out to be Denison Mines, could the Prime Minister say whether legislation on this matter will be introduced before Easter or whether parliament will be told within that time what steps are being taken?

Right Hon. P. E. Trudeau (Prime Minister): Certainly not before Easter will there be legislation, Mr. Speaker, but it is possible that before Easter government policy in this respect will be announced; if not before Easter, then shortly after.

AGRICULTURE

BARBER COMMISSION REPORT ON FARM MACHINERY PRICES—STATEMENT ON GOVERNMENT ACTION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture. Some time ago I questioned the minister on whether he would indicate in a statement on motions what action the government intends to take in respect of the Barber commission report on the price of farm machinery and his answer was soon, he hoped. Could he indicate whether he will make this statement before the House recesses for Easter?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I cannot give a complete report on what we have done because a number of the discussions we have had are still in that stage. I would hope that before we recess I can make a statement on motions advising the House on the steps that have been taken and the progress that has been made to date.

GRAIN

WHEAT—ACREAGE REDUCTION PROGRAM—CONSIDERATION FOR FARMERS WHO MADE REDUCTIONS LAST YEAR

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I have a question for the Minister of Agriculture. What consideration is being given to helping those farmers who voluntarily made a drastic reduction in their wheat acreage last year?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there are provisions in the regulations, and some of that detail has been announced, to take into account substantial reductions that took place between 1968 and 1969.

[Mr. Knowles (Winnipeg North Centre).]

EXTERNAL AFFAIRS

PARTICIPATION IN UNITED NATIONS BIRTH CONTROL PROGRAM

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister and, like the question of the hon. member for Winnipeg North Centre, it has to do with government policy but on a different subject. How long a gestation period is necessary for the government to make up its mind and deliver a clear and constructive statement on government policy in relation to family planning and our contribution to the United Nations in this field?

Right Hon. P. E. Trudeau (Prime Minister): Nine months, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Nowlan: Mr. Speaker, in order that we may determine whether this nine months is going to result in an abortion, a miscarriage or a stillborn statement, when did the nine months commence?

Mr. Trudeau: The state has no room in the bedrooms of the nation.

Mr. Nowlan: A supplementary—

Mr. Speaker: Order, please. We have just a few seconds left and I wonder whether we might try to get a few more questions asked.

[*Translation*]

INDIAN AFFAIRS

NORTHERN QUEBEC—TRANSFER OF JURISDICTION OVER ESKIMOS—ACTIONS OF FEDERAL EMPLOYEES

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

Is he aware that some federal civil servants have urged the Eskimos in northern Quebec to protest against the Quebec administration in order to keep their positions?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not think that federal civil servants have intervened in any way whatever in this matter. They are trying to co-operate as much as possible with the Eskimos in New Quebec. Besides, I do not think that there is anything to gain by fanning the debate right now while both provincial and federal officers are there consulting the Eskimos.

[*English*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my supplementary is to the Minister of Indian Affairs and Northern Development. I wonder whether he would take the first opportunity to define exactly what he means by the new Quebec, in view of the eager territorial greed of certain people in various parts of Canada who refuse to recognize certain historical factors?

TAXATION

WHITE PAPER ON REFORM—LETTERS OF PROTEST

Mr. Thomas M. Bell (Saint John-Lancaster): My question is for the Minister of Finance. In the flush of his great budget of last night, can the minister now state the number of letters on the white paper that he has received and answered and whether he has any evidence of Liberal members who are disdainfully throwing these letters in the waste-basket unanswered?

Some hon. Members: Oh, oh!

Hon. E. J. Benson (Minister of Finance): I am sure that a Liberal member would never do that, unlike the opposition.

Mr. Speaker: Orders of the day.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed the following bills to which the concurrence of this House is desired: Bill S-21, an act to amend the Criminal Code, and Bill S-22, an act to incorporate National Farmers Union.

GOVERNMENT ORDERS

PAROLE ACT

AMENDMENTS RESPECTING CONSECUTIVE AND CONCURRENT SENTENCES, EFFECT OF FORFEITURE

Hon. G. J. McIlraith (Solicitor General) moved that Bill S-19, to amend the Parole Act as reported (without amendment) from the Standing Committee on Justice and Legal Affairs on March 11, 1970, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time, by leave now?

Some hon. Members: Now.

Mr. McIlraith moved that the bill be read the third time and do pass.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I intend to take part in the debate, but is the minister not going to explain some of the mysteries of this bill for the benefit of those who did not sit on the Committee on Justice and Legal Affairs?

Mr. McIlraith: The bill is designed to redraft two sections of the present act to put them into language that will mean what they were thought to mean when they were enacted by Parliament and what they were thought to mean by the administration administering the Act. They involve no change in principle in any way and no matter of substance. They are purely technical. In one of them, the change becomes necessary by reason of an interpretation put on one of the clauses by a court, and the other amendment was made necessary as a result of a question that was raised—and this matter did not go to court—as to what the existing language meant. The matter was dealt with in the committee; it is purely technical and no change in substance is involved.

• (12 noon)

Mr. McCleave: I think the minister put it very fairly when he said that these are, in fact, technical changes designed to overcome some of the problems that were encountered when the former measures were interpreted. Indeed, so technical was the language of the bill, and so difficult the study thereof, that even the best minds in the House of Commons frequently found themselves in great difficulty. I refer of course to the members of the Committee on Justice and Legal Affairs. However, we did our best with it and passed it after a good study. Sometimes bills are passed unanimously in committee, sometimes they are passed on division. This one, we felt, was passed in confusion. None the less, as the minister noted, it makes two important technical corrections to what we thought was the intention in the existing legislation. But I think it should be added that these changes have not taken away any rights for which people have fought and which they obtained in the courts. These changes conversely, will be of benefit to the people who are now undergoing penitentiary sentences. In other words, we are not depriving anybody of

a specific right. We are clarifying the technical language, to preserve the rights that we thought they enjoyed already.

It might be of interest to note that there is a retroactive provision in the bill, since the section shall be deemed to have come into force on the 26th day of August of last year. The reason for it is that was the date of the proclamation of the parole sections of the omnibus Criminal Code with which we dealt during an earlier session of this Parliament. Part of the difficulties for which this bill is the remedy arose because of some imprecise drafting which did not fit the intentions of the administration and, to be fair, of all members of the House, in relation to the very important matter of parole.

Perhaps I could be allowed to make two very quick points in concluding my brief remarks. The first is that the study of this bill gives us all an opportunity to pay respect to one of the great public servants of Canada. I refer to Mr. George Street, the chairman of the National Parole Board. I am very pleased that Mr. Street's tenure of office has been extended by this government. He was appointed by the administration headed by the right hon. member for Prince Albert (Mr. Diefenbaker). He is truly an outstanding Canadian, and perhaps part of the ease with which we finally stumbled out of the technical jungle in which we found ourselves was because we knew that Mr. Street was prepared to light a torch and lead the way for us. We on this side of the House, and I am sure on the other side as well, have great faith in that gentleman.

The other point I would like to make very briefly deals with the fact that when we have technical bills such as this, which really are measures designed to bring about what we originally intended to bring about, the procedure should be short and simple. I can think, for example, of my own bill relating to some sections of the divorce act with which difficulties have been experienced in the court. I hope we can devise a law reform procedure whereby such bills as this one, and the one I am sponsoring, can get rather quick study without opening up the subjects they deal with the widespread discussions that go on and on for days and days. In other words when we need technical remedies we have to find a way of achieving them rather quickly, otherwise minor and technical reforms in the law have to wait for an unjustified period of time. Fortunately, this criticism does not apply to this case and I say on behalf of my colleagues that we support the measure.

[Mr. McCleave.]

Mr. John Gilbert (Broadview): The last time this bill came to the House many members from all parties referred to it as a housekeeping bill, which is a proper reference, but then they proceeded to point out to the Solicitor General (Mr. McIlraith) the many gaps that exist in the present Parole Act. I can recall the remarks that I made directing his attention to the report of the Canadian Committee on Corrections, commonly called the Ouimet Commission, which set forth a few chapters on parole and indicated where changes could be made to make the parole system in Canada more effective. The Solicitor General's reply, after the debate had taken place, was that many of the recommendations had been implemented and others were being considered. I hope that in the very near future he will bring forth a bill of substance rather than a technical bill to correct a mistake that was made a short time ago. I have faith and confidence in the Solicitor General, who is attempting to make his last mark on Parliament possibly before he goes to the other place or accepts a full pension. He has made an impression. I hope he will consolidate his position by bringing forth a bill incorporating all the recommendations made by the Ouimet Commission.

I now wish to deal with the question of volunteers and parole. I have not heard Mr. Street nor the Solicitor General give information on the part that volunteers can play in parole. To date, parole has been administered by professionals in the minister's department, and by professional social workers. But with the expansion taking place in the parole system, for which we give credit to the Solicitor General and the chairman of the parole board, I think we are missing an important aspect in respect to the use of volunteers.

Recently I read an article in the magazine *Federal Probation,* December issue, outlining the efforts being made by the State of Florida in the parole field. That state has provided roughly $150,000 to set up a volunteer parole program, manned by businessmen, tradesmen, salesmen, college professors, teachers, ministers, college students, housewives, retirees, attorneys and blue collar workers. In fact, the state has passed enabling legislation setting up a department of community services.

We have a slight parallel in Canada with the Big Brother and Big Sister movements. Credit should be given to them for the active roles they fulfil. In addition, we have many other organizations that attempt to raise money by running bingoes, whist drives and

so forth, to help with community services. I would ask that Kiwanians, Optimists and members of Lions Clubs, direct their attention to undertaking volunteer work in the probation and parole services. This volunteer work has been quite successful in Florida, embracing all the people I have mentioned.

As we know, they have a particular problem in the United States with regard to Negroes, and they are specializing in that field also. We, in Canada, may have a particular problem with regard to the Indians and the Metis, and it may be that we could get specialists to work in that field. In fact, I was pleased to hear the minister say today that some Indians have been trained to take care of parole and probation problems experienced by young native Canadians.

The underlying principle with regard to the volunteer parole service has been the one-for-one basis. In other words, after a volunteer has been proven to be worthy of taking up the job he is assigned a person who has been placed on probation or parole, and he works with that one individual. He may provide the father complex that a young offender might have missed in his youth. He establishes a rapport between himself and the young parolee. He gives the parolee encouragement, inspiration, direction and guidance. This service has had remarkable results in Florida, and in cities throughout the United States.

There is much the same analogy with regard to Alcoholics Anonymous, where persons who have been previously addicted to alcoholism and who have been cured apply their time, talent and services to helping other people who are suffering from alcoholism. In Florida, young parolees who have been rehabilitated, and reformed themselves now act as volunteers in the parole service, using the experience they gained when in custody or in penitentiaries. Such volunteers have had a remarkable impact on young offenders granted parole.

I hope that the Solicitor General, who basically is a man of concern and of compassion, will take up this idea, and introduce a bill establishing such a community department, so that young parolees and offenders placed on probation can have the assistance of volunteers. We are missing a golden opportunity to use the services of Kiwanians, Optimists and members of Lions Clubs, a great part of whose time is really wasted in a money collecting performance, whereas we would be getting the full value of their service if they applied themselves to taking an active part in probation and parole. I hope that the Solicitor General will bring forth legislation which will translate that idea into effective action in the near future.

Motion agreed to and bill read the third time and passed.

• (12:10 p.m.)

[*Translation*]

STANDARDS COUNCIL OF CANADA

ESTABLISHMENT, OBJECTS AND POWERS, ORGANIZATION, ETC.

The House resumed from Thursday, March 12, consideration of the motion of Mr. Pepin that Bill C-163 to provide for the establishment of a Standards Council of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs and the amendment thereto of Mr. Lundrigan (p. 4726).

Mr. René Matte (Champlain): Mr. Speaker, I recently pointed out the importance of considering without delay the way in which to change our system of weights and measures. The scientific or mathematical demonstration of the importance of the metric system is so conclusive by itself that it is not necessary to take it up again.

The process to be followed effects obviously the very subject matter of the bill on standardization. We wish this change would be carried out as soon as possible with as few drawbacks as possible so that Canada may have the same system as most countries in the world. Of course, our decision is closely tied to that of our neighbours to the South, the United States. Nevertheless, we could already bring about this change in a number of fields without adversely affecting our industrial and commercial relations with the United States.

Mr. Speaker, we therefore wholly agree with the principle that it is necessary to establish standards systems.

In closing I would like to repeat that it would perhaps be advisable to consider the possibility of coming to an understanding with an association existing already, and see if it would not be possible for the government, particularly in this austerity period, to effect savings by accepting a kind of mixed association with a view to protecting the interests of all Canadians.

If Bill C-163 is passed without amendment, the folding up of the Canadian Standards Association will necessarily follow.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): It is not true and I said so four times yesterday.

Mr. Matte: I do not understand how we can have two standards systems.

Mr. Pepin: Mr. Speaker, it is not true. There are already seven or eight.

Mr. Matte: Mr. Speaker, the minister gives me the impression that, after his discussions or negotiations with the Canadian Standards Association, he has lost his perennial smile. Does he want to illustrate that, when you cannot come to terms with the government, you have to pay the piper? This looks like his attitude. In any case, in a field such as this, we must encourage change while safeguarding the taxpayers' interests. If we realize that that organization will cost quite a lot of money and that its services are more or less interesting, we will have to wonder whether we did not go astray from the outset. The purpose of my remarks is simply to prevent such things from happening.

It is worth repeating once more what I said yesterday about the representation within that agency, which I believe must take into account the provinces to a great extent, and in particular the province of Quebec.

I believe the minister should answer the questions we are raising and attempt to find amendments or to support those that we may be submitting.

[*English*]

The Acting Speaker (Mr. Béchard): The Minister of Consumer and Corporate Affairs.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, my colleague the Minister for Industry, Trade and Commerce (Mr. Pepin), who is the sponsor of this bill, yesterday ably put before the House the need for it, the need for the standards council of Canada and the great things that the council working in close collaboration with those in the private sector, can accomplish in promoting voluntary standards. I do not want to repeat what he said yesterday in support of the council, but I should like to add some brief comments from my particular point of view as Minister of Consumer and Corporate Affairs.

In our department we receive month in and month out thousands and thousands of consumer complaints. An analysis of these shows that many can be traced to the lack of satisfactory voluntary standards prevailing for many commonly used consumer products. On the other hand, if we look at industry, purchasing agents for years have been able to specify precise standards for a wide range of industrial commodities. If these standards are not met in filling orders in the industrial sector the goods are turned back. The ordinary consumer has no such advantage. When he goes to the marketplace he has to rely on information provided by the manufacturer or salesman without reference to any proper or meaningful standards. Often, the only information the consumer has is contained in advertising puffery, the main purpose of which is to extol the virtues of a particular product.

To cite an example, there is the confusing description of automobile tires. There are literally dozens of different kinds of tires in different price ranges available to the consumer. They are described by such phrases as "top of the line", or "super" or "No. 1" and are given incomprehensive ply ratings and other characteristics. The upshot is that the ordinary car owner, who is not an expert in tires, does not know what he is buying and, unless he is an expert, does not know whether he is getting a good or bad deal. I could give many examples of products on the market where the consumers' action in the marketplace could be greatly enhanced by improved voluntary standards.

Another instance is the difficulty consumers have in sorting out the sizes which are described in terms of "large", "small", "family", "economy", and "giant", words which have become meaningless. The nomenclature used in the grading of gasoline is a tribute to the ingenuity of the advertising profession but does little to inform the consumer of the octane content of the gasoline or its quality. Many household items, such as automobile batteries, plastic bags and floor polishers are described as "heavy duty" although the significance of this term is obscure to the ordinary consumer and obscure to me. The attribution of specious quality differentials has been a boon to the copywriters but the consumer has become numbed by the excesses of the advertisers. I think as the Minister of Industry, Trade and Commerce said, the standards council in promoting in the private sector the adoption and promotion of voluntary standardization, can enhance the consumer interest a great deal.

I have great difficulty understanding the role of the official opposition in this. We need these standards now. It is unfortunate that

consumers did not have them years ago, yet the official opposition says not only should they not have them now, they should be put off for at least six months—in fact they should not have them at all, a most incomprehensible stand for the official opposition. Indeed, I find the official opposition incomprehensible all the time. Last night they were saying the welfare of the poor people of Canada could be solved by—

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Gander-Twillingate on a question of privilege.

Mr. Lundrigan: On a question of privilege, Mr. Speaker. I do not mind an hon. member of the House, the ordinary backbencher, misinterpreting the position of the opposition, but when we get the minister deliberately misrepresenting the position taken by the opposition which yesterday did agree with the need for co-operation, fostering, promotion and support but that the bill in question went too far, then I think the government should be brought to order and forced to present the facts of the situation.

Mr. Basford: Mr. Speaker, to a Conservative any movement at all is too much—

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Comox-Alberni (Mr. Barnett) on the same question of privilege.

• (12:20 p.m.)

Mr. Barnett: Mr. Speaker, with regard to the question of privilege, may I suggest to the hon. member who raised it that he should not be surprised if the minister finds certain things incomprehensible.

Mr. Nowlan: He is incomprehensible.

Mr. Basford: Well, Mr. Speaker, I am sure the consumers of Canada will find incomprehensible the official opposition's desire to kill this bill and put it off for six months.

Mr. Dinsdale: The people of Canada are not taken in easily.

Mr. Basford: I hope the remarks coming from the opposition side of the House indicate my remarks are hitting the point. May I continue, after having been so rudely interrupted?

As I said, consumer standards, apart from food and drug standards have, in my view, suffered neglect in Canada, and this is a serious deficiency. There is an increasing pressure to fill this gap from informed consumers, from the Consumers Association of Canada and from the Consumers Council which I appointed. Some progress has been made in limited fields such as garment sizing and care labelling of textiles, but there is an enormous job still remaining to be done. Despite the very considerable accomplishments of the Canadian Standards Association, the Canadian Government Specifications Board and a number of other standards-making bodies —all of them have been doing exceedingly good work—there is an urgent need for a truly representative and truly national body to promote and co-ordinate development by standard-setting agencies which will benefit the ordinary people, the ordinary consumers of this country.

I believe that the proposed standards council of Canada will have an essential role in achieving this aim. It will represent the whole spectrum of agencies concerned with and interested in standards in Canada. It is quite natural that such a body as the standards council of Canada should have heavy representation from industry because of the highly technical nature of many of the issues in the field of standards. However, I can forecast confidentally that consumers will have, and must have, an important voice in the work of the council. There will clearly be participation by my department, by the Consumers Association of Canada and by the ten provinces which will have a real interest in promoting the consumer interest.

It is my hope, Mr. Speaker, that the standards council of Canada will give priority attention to the problem of product safety. There is ample evidence that an unwarranted number of Canadians are being killed and maimed every year in accidents involving seemingly innocent household products. Products that are inadequately designed, insufficiently labelled or easily subject to misuse cause both untold suffering and great economic loss. This morning I announced new regulations under the Hazardous Products Act which would deal with the labelling of a wide range of consumer chemical products. In 1967, the last year for which figures are available for this country, there were over 15,000 cases of children under four years of age being poisoned from household products. We announced this morning appropriate regulations governing the labelling of these products so that, hopefully, we can develop voluntarily some proper lids for these products and cut down on these kinds of poisonings.

The economic cost to this country as a result of such injuries and poisonings in terms of providing hospital and medical services and in terms of losses suffered by those who are employed is enormous. Anything we can do to develop greater product safety and eliminate accidents arising from faulty products will be of great economic benefit to Canada, altogether apart from any humanitarian considerations with regard to personal suffering and injury. We need to improve our statistics on household accidents, but enough clear evidence exists to show conclusively that more rigorous safety standards for consumer goods would contribute greatly to the public good. In the United States, the National Commission on Product Safety has been examining over 2,000 commonly used consumer products. Its report to be published later this year will bring to light, I am quite sure, inadequacies of design and of performance in many products sold widely in the United States and Canada and will highlight the need for better consumer product standards and regulations. I hope that the Standards Council, working with the private agencies, can promote and develop great numbers of voluntary standards that will govern products and product safety.

Mr. Lundrigan: Will the minister permit a question, Mr. Speaker? The minister indicated in his earlier remarks that the provinces and existing councils and organizations supported the government's move to become involved in the matter of standardization. Can the minister indicate whether there has been any critical response from existing organizations and provinces? Are they wondering whether the provisions of this legislation are along lines that were discussed when the legislation was originally proposed?

Mr. Basford: Mr. Speaker, I think that question should be and will be dealt with in detail when my colleague speaks in winding up the debate. I wish to make two points that my colleague referred to yesterday. There has been extensive consultation with private agencies and provinces, and I think there is a wide measure of support for this legislation. I am making these remarks in my capacity as Minister of Consumer and Corporate Affairs, and I can inform the hon. member that there is wide support throughout the country for this legislation on the part of consumers who want to see this sort of agency established. I should think that considering the impassioned speeches the hon. member for Newfoundland has made on behalf of the poor people of his province, he would be in favour of this type of legislation.

Mr. Lundrigan: Why does the minister not tell the whole story instead of playing games?

Mr. Dinsdale: That is too much to hope.

Mr. Basford: The Hazardous Products Act passed by this House last session provides the framework for the most comprehensive consumer product safety programs in the world, and provides the legislative tool which can be used to back up some of our safety standards. Once satisfactory standards have been developed by the council in co-ordination with private standards-setting agencies, there will be no excuse for allowing dangerous or substandard consumer products on the market. In some special areas, it is possible for the federal government to develop product safety standards, but in most other areas it is essential to rely on the special knowledge and technical competence of industry, safety organizations and the medical profession; and the council will provide an excellent vehicle to bring together this knowledge, this expertise and this competence. It is hard to overestimate the need for an agency such as the standards council to sponsor a consistent and broad gauged plan which will lead to the elimination of many of the booby traps in Canadian homes. Consumers will look to the council to exercise leadership and to co-ordinate the development of voluntary standards in this area.

I want to dwell briefly on another responsibility of the proposed standards council of Canada, its role in relation to converting to the metric system. There has been, so far as I can judge, widespread support expressed for the very excellent and forward looking statement that was issued by the Minister of Industry, Trade and Commerce on the question of metrication just before Christmas. This statement makes it clear that the metric die is cast, even though the timing of conversion is indefinite and a great many very complex problems remain to be resolved. A great deal of attention has been paid to the implications of converting to the metric system for industry and commerce, but I would also like to note that any general adoption of the metric system in Canada has profound implications and advantages for consumers.

• (12:30 p.m.)

The cornerstone of a market system is that the consumer has full, complete and factual

information so that he can properly judge the product he is buying and make an intelligent comparison of it with other like products. The metric system would greatly enhance the consumer interest in proper information, product and package comparability. The existence of a standards agency, with balanced representation from all sectors of the economy, will be vital if we are to deal satisfactorily with the abandonment of our traditional measures of pounds, quarts, inches and gallons and the adoption of a far more logical and consistent system of weights and measures. The conversion process, as the experience of Britain makes clear, is not a simple one, and I believe that the standards council of Canada will have a major contribution to make in easing problems of conversion which inevitably must be made. Hopefully, this can be achieved in the future with a minimum amount of difficulty and problems. We are creating an agency which, I think, can ease our way to conversion.

Finally, I want to say a word about international standardization. While it is obvious that the development of standards is of crucial importance to international trade in industrial machinery, building materials and so forth, there is increasing concern being shown over international standards for consumer goods. The International Organization for Standardization and the International Electrotechnical Commission have recently established a joint body to deal with consumer standards. The ISO has an active technical committee on consumer questions. Recently, the OECD established a committee on consumer policy. In addition, a number of ad hoc international committees have been convened to deal with special problems. Many of these committees are dealing with issues which are important to Canadian industry and to the Canadian consuming public. I feel that it is important that Canada's participation in these international standards associations be as strong as possible and that we assure that all international developments are kept under careful scrutiny. From the point of view of prestige and continuity, I believe that it is absolutely necessary for Canada to be represented by an agency created by the Parliament of Canada, which will reflect all the interests involved in any discussions or negotiations on the international standards scene.

There has been some hesitation about this bill, Mr. Speaker. Noting the advantage to Canadian consumers of greatly improved systems of voluntary standardization, I find it very difficult to understand why that hesitation exists. I can only conclude that such hesitation stems from a misunderstanding of the intent and purpose of the standards council which will have great benefit, not only to Canadian industry, commerce and trade, but also to the ordinary Canadian consumer.

Mr. Cliff Downey (Battle River): Mr. Speaker, the minister has gone to considerable length to put on the record the allegation that the official opposition is not concerned with standards in Canada or with protecting the consumer. I say to the minister if his external brilliance is any indication of his comprehension of the facts, it is an absolute misrepresentation. What we say is the Canadian Standards Association is already set up. This association is doing a good job and we do not believe it is necessary for the government to be sticking its nose into every part of society today. We have the new Department of Consumer and Corporate Affairs as well as several other agencies, including the Food and Drug Directorate. These departments would only have to give assistance to the voluntary agency which is already established. We could proceed from there with standards in other areas.

In my opinion, Bill C-163 is just another duplication. It is an unnecessary government exercise. Many attempts have been made by this government to introduce through the back door what can be termed as seemingly innocuous legislation, but this bill is certainly a strong candidate for first prize. The government is asking us to accept the need for a federal corporation to foster and promote the voluntary standardization of weights and measures, quality and performance of goods, and industrial and commercial methods and practices.

The Canadian Standards Association has been functioning for 50 years. It has a very good reputation. There have been few complaints registered against this association. The CSA operates independently of industry, government and supplier to establish standards for consumer items manufactured and sold in Canada. It works with other standards groups throughout the world to establish and maintain standards for consumer goods in the markets of international commerce.

Mr. Pepin: Will the hon. member accept a question? If it is true that the CSA is so perfect, why do some of the officials of that organization keep referring to the major

changes that are taking place in the organization and to the tremendous new programs that they have in mind for the future?

Mr. Downey: I do not think there is anything wrong with referring to programs for the future. The government talks about the future all the time. It should not criticize a voluntary association that looks to the future in the same way. I cannot see any legitimacy in that argument.

Throughout the 50 years of its existence, the CSA has built up a reputation for excellence that places Canada high in the opinion of other countries. The best testimony of this is the fact that many countries accept Canada's standards as their own. The CSA trade mark is accepted without question by countries with which Canada trades in consumer goods.

Even in the face of this evidence, Mr. Speaker, I would not suggest that the present CSA methods of operation should not be examined. It is possible that an independent study of the entire CSA operation should be undertaken to determine whether the CSA is, in fact, adequate to present needs. It may well be that the CSA is not competent in some areas to manage the changeover to the new international system of units known as the metric system.

• (12:40 p.m.)

All these probabilities I will concede. If the reorganization of existing standards were proposed I would not hesitate to support such a move. But I cannot assent to the complete reorganization of the present arrangements or to the assumption that once a government agency is created a much better job will be done. Look at the operation of other government undertakings, the Post Office, for example. I learned the other day that 140 years ago mail sent by the California Express from Missouri to the west coast arrived in eight days. The other day a man told me it had taken ten days for a letter sent from Ottawa to reach Vancouver. How can the minister expect us to have much faith in the type of reorganization he is proposing? Consider the operations of the Wheat Board. It turns out, we learned yesterday, that the board was paying four cents a ton commission on the shipment of Canadian grain in certain circumstances, and someone pointed out that a salesman can make almost as much selling a dozen cases of dogfood as he can by shipping large quantities of Canadian wheat. How can any faith be placed in any new organization which the government may set up when this is the kind of performance we have learned to expect from those which already exist?

The government is proposing to set up a new federal body to operate alongside the CSA. There is no indication whatever that it will receive the co-operation from all concerned which is now available on a voluntary basis. The preamble to the present bill states that a government agency to be known as the standards council of Canada will foster and promote the voluntary acceptance of standards in Canada and also serve as the Canadian representative at meetings of standards groups of foreign countries. All this, the CSA has been doing for 15 years. In paragraph 4 (b) of clause 2 the bill gives the Council power to accredit other organizations which are concerned about the establishment of standards. This is the thin end of the wedge, the first indication that Bill C-163 is not as innocuous as the minister pretends it is. Paragraph (g) of the same clause gives the minister's council the power to establish its own trademark as the new Canadian standards trade mark. Already the government is saying that the old Canadian standards mark is not good enough—that the new council will have its own mark. Yet the minister went to great lengths yesterday to tell us that everything would be done voluntarily.

Further, the bill authorizes the new agency to accept and spend moneys appropriated by Parliament, to acquire and hold real property, to alienate that property at pleasure, and to do such other things as are incidental or conducive to the attainment of the objects and exercise of the powers of the council. The bill also prescribes the number of people who shall be members of the board. The council is to consist of an executive council made up of a president and some 57 members. Clause 14 gives the council authority to appoint such other officers and employees as may be necessary for the proper conduct of its work. In other words, this is yet another case of an empire being built.

Some hon. Members: Hear, hear.

Mr. Downey: We have already seen what has happened in the case of the Department of Consumer and Corporate Affairs. I am not arguing that some of these things ought not to be done, but there seems to be no end to the new empires which are being built with the approval of this government. I maintain that when we read this bill the picture we get is not that of a harmless body of conscientious

citizens looking over the shoulders of the Canadian Standards Association. This proposal has all the earmarks of a complete take-over, and the instruments to accomplish it are well spelled out in this legislation.

The minister was at great pains to explain that this could all be done through co-operation. Yet the bill spells out all that is necessary for a complete take-over and the eradication of the facilities which now exist. If this is the intention of the government—and having studied this measure I cannot believe that any hon. member could take a different view—why does the minister not tell us in clear terms that the administration is getting into the standards business and that everyone else is getting out? However he may have tried to disguise the intention, it is clear to anyone who has taken the trouble to read this document clause by clause. We are confronted, here, not only with machinery for a take-over, but with an example of duplicity.

Aside from the fact that the services which the Canadian Standards Association have been providing for so long will, from now on, be hampered by bureaucracy, there is the question of cost, something which should always be considered. The only reason put forward by the government for contemplating the establishment of a standards council in the first place was that the CSA had asked for funds from the government to defray part of its costs.

The fact is, the CSA has been self-supporting since its inception. I know the minister can answer by saying that the charges have in fact been paid by industry and passed on. But nothing will convince me that less money will be needed, or that these services can be provided at lower cost to the public if the government takes over the standards council. The request to which I referred a few moments ago was a request for a grant to cover membership dues in the international organization for standardization, of which the Canadian association is a member. The fee amounts to $50,000 a year, I believe compared with the CSA operating budget of some $4,500,000 a year.

• (12:50 p.m.)

Another reason advanced by the government, after the fact, is that other western nations have government-operated standards organizations. If we examine other examples of government-operated standards agencies, the only one similar to the one proposed is in South Africa. France has been put forward as an example, but I believe in their case the government only elected one of their members to the board, the president; the actual work of the board was carried on within a voluntary structure, as is the case with the CSA. Britain, Germany and Sweden have organizations similar to what the minister would establish here, and are something akin to the present functions of the CSA.

This is a time when the government is telling the Canadian people to follow its example and spend wisely. I suggest that the measure before us today does not comply with that theory. It is not calculated to accomplish any goal except that of adding to the load of the taxpayers, with questionable benefits to consumers. I suggest the government could work through our present organizations with some direction from the department.

I have found a clause on the last page of the bill, almost the last clause. I suggest it should really have been one of the first clauses and that the bill should have been built around it. Clause 18 provides:

> The Council shall be deemed to be a charitable organization in Canada as described in paragraph (e) of subsection 35(1) of section 62 of the Income Tax Act—

That is a rather exciting observation to find buried in the bill. This council is going to be called a charitable organization—one other charity, I suppose, that is to be supported by the taxpayers of Canada. It is also of interest to note that the bill has still to pass the House, and I would think there were sufficient members in the House of good judgment not to hasten its passage unduly. The government has already appropriated money for the council in the estimates. Probably it thought that the bill might slide through before the estimates were published, I do not know. I think we should all consider the bill most carefully. I and a lot of my colleagues share the view that we should not be duplicating a service that can be better performed by an existing organization, one that is self-sustaining.

Mr. Rose: Mr. Speaker, I was going to ask your permission to call it one o'clock.

Some hon. Members: Agreed.

Mr. Pepin: There is still five minutes remaining.

Mr. Speaker: There must be unanimous consent, of course, and the minister seems to be resisting the suggestion. It appears his

resistance has been shattered. We will call it one o'clock and the House will resume at two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I guess I am the man for whom the bell tolls. Anyway, I am delighted with the opportunity of saying a few words this afternoon on Bill C-163 to establish a standards council of Canada. I am delighted also to see the genial minister in his seat, smiling as usual through storm and stress. I have a first question which I think might be indicative of what I am going to say later. My question is, why voluntary standards? We propose voluntary standards in this particular field, yet we do not have voluntary standards when we judge criminal behaviour. However, of the things that have gone on as a result of our lack of standards in this country verge on that kind of behaviour.

The slogan, "let the buyer beware", in my view is a sordid phrase, I think it is much more appropriate to an age much earlier than our own and out of place in this complex society. Perhaps it was reasonable in a more simple society in which the products were simple. You went to someone you knew to make your purchases and there was craftsmanship rather than factoryship at work. Certainly, in the earlier days there were not the vast number of synthetic products in terms of plastics, synthetic textiles and that sort of thing. The various chemical additives have by their very nature, placed these products in a position where the average member of the public is unable to make a decision based on his own particular knowledge or the feel of a particular piece of cloth. He has no idea really what he is buying, nor does he know very much about the sizing of it, its shrinking, lasting qualities or methods of cleaning.

I think it is self-evident that we need standards. I believe, too, that the consumers not only in this country but in the United States as well have been rooked for years because of the phrase, let the buyer beware. I think this is an aspect of our society that has had tacit approval for far too long. It is time for the government to take a much more active role to see that reasonable standards, not only of safety as the Minister of Consumer and Corporate Affairs mentioned this morning but also of quality, be available in a readily accessible and meaningful form to the people who are the purchasers of our country.

I think perhaps the fact that the *Consumer Reports*, a United States magazine, has such a wide sale in Canada is an indication of distrust of the standards we now have; the kind of packaging and labelling standards for North America products. I do not believe that particular magazine, which is supported by subscribers, would enjoy such wide support from the general public if people felt confident that they could depend upon the quality or the labelling of the products they purchased.

• (2:10 p.m.)

This organization which publishes *Consumer Reports*, as I mentioned earlier, is an independent organization not financed by manufacturers or by consumers, except in the sense that they buy the magazine. It consults and conducts tests, and I have used its information many times while contemplating the purchase of some item that was going to be fairly costly. I think perhaps many members of this House realize that this particular group not only tests various products but also rates them and puts them in a rank order so that people have an opportunity to make an intelligent decision on their purchases rather than depending upon the often spurious advertising for them. I think the standards council of Canada might consider, after it develops somewhat its activities, the same type of practices as those engaged in by the Consumer Report magazine and the group that sponsors it. We need to set up independent testing laboratories and not be influenced by the conflict of interest of the various manufacturers. They are more interested in pushing their products than they are in ensuring that the products are always of like quality or always safe.

The other thing the Council might do, and this is where the word "voluntary" comes under question, is to rate these various products. If there are, for example, 15 manufacturers of electric ranges—there are probably only three—the Council should do independent testing and rate them so that people will know they are getting value for their money, or at least will be able to buy what they desire with information available to them. So, those two points, testing and rating, should be considered by the new council. What happens when you do not have this? What happens is what has been happening, not only in manu-

facturing industries but also in service industries that is that people who do not have the expertise are constantly being defrauded. The well known case is the one of the automobile service garages in Montreal. This business has come in for a great deal of criticism by a group of people who know the field and make their investigations of repair charges available to the general public.

So the question, then, is not really about the need for standards but whether this bill will really accomplish the provision of standards useful to the Canadian public. I note that under section 116, subsection 33D of the Criminal Code amendments of last year, the Minister of Consumer and Corporate Affairs (Mr. Basford) has broad powers to control advertising. He mentioned just before lunch, the matter of protecting the consumer, but he has broad powers now under this section which reads as follows:

> Everyone who publishes or causes to be published an advertisement containing a statement that purports to be a statement of fact but that is untrue, deceptive or misleading or is intentionally so worded or arranged that it is deceptive or misleading, is guilty of an indictable offence and is liable to imprisonment for five years, if the advertisement is published.

I do not know whether or not there have been any charges laid under this section, but I wonder if it would apply to any of the campaign literature of the Liberal party. This might be an interesting question. But people demand standards on which they can depend, there is no doubt about it.

Last weekend, which I spent in my constituency, I was visited by a number of people including an old gentleman who came to see me about the problem of standards. He was complaining about, of all things, dress sizes for older women. Presumably he was considering purchasing one for his wife, but he did not tell me that.

Mr. Winch: You should say "over 21".

Mr. Rose: This was an elderly gentleman and he was concerned because he felt the dress sizes were not only not available in enough variety and quantity, but even the sizing was something on which he and his wife could not depend.

Mr. Pepin: What does age have to do with size?

Mr. Winch: There is no such person as an elderly woman.

Mr. Rose: Perhaps age does not have anything to do with size but it certainly has to do with style and style sometimes has to do with size. But the minister is engaging in some kind of by-play here. Since he is a good humoured man, I will humour him. If he would like to carry this debate further, I would be delighted.

Another thing about which the old gentleman complained was the fact that he could not depend on decent labelling of canned and frozen products. He said that often when he opened a can he got a shock because the contents were watery and of poor quality. But I hasten to add that I think the record of the Canadian canning industry shows that the standards we have in Canada for canned goods are superior to those in other countries. For some 30 years now the labelling of fancy, choice and standard quality has given the Canadian consumers some guidance in their purchases that they would not have if they were making similar purchases while on a trip in the United States. So, I think we have had pretty good standards established in certain areas of our economy. But that does not mean that with the multiplicity of products on the market today we do not need more expertise in dealing with standards of quality and safety.

Some of the members here, and also probably the minister, want us to put on this bill our unreserved "Good Housekeeping" seal of approval. I know that some others would like us to throw this bill out entirely and leave things as they are. These are the two particular positions.

Mr. Dinsdale: There is also the good, middle of the road position.

Mr. Rose: The suggestion is that the truth lies somewhere between the two extremes. I hate to quote this man but his name is Jimmy Hoffa. He once said: "The truth ain't halfway between nothing, the truth is the truth".

Mr. Murphy: Ask Cardinal Léger.

Mr. Rose: Please, sir, do not take your backbench frustrations out on me. I have similar frustrations.

An hon. Member: Obviously.

Mr. Rose: I think there is a giant lobby at work for the Canadian Standards Association because they feel that the government is going to stamp all over their turf or, in other words, move in on their private preserve. I have no concern about that group of people other than to thank them for what good things they have done in the past. I think it

would be ridiculous to suggest that the government has no role in this field. I believe strongly that it has. I think the cynical might well ask: "Why is the CSA so concerned about this?" I think this is a worthwhile question. Are they concerned for standards, as they say they are? If they are, and if there is going to be an improvement in standards, they should be all for it.

Mr. Dinsdale: They are suspicious of the government.

Mr. Rose: They may be, that is a suspicion shared by many people, but it does not make them unique.

Mr. Pepin: You should not say "the CSA"; you should say "some officers of the CSA".

Mr. Rose: Presumably one member wrote the letter, not some members. Anyway, I do not really know what the CSA represents unless they represent the same kind of thing that the standards council of Canada profess to represent but without government control or responsibility. But I would be interested to know whether or not they are acting as a front for certain manufacturers. If they are doing that, then I have no sympathy for their aims or objectives. I think we have a right to ask these questions and the CSA has a responsibility, if they are going to continue to exist, to answer them.

Our government has been noticeably reticent about introducing legislation with teeth in it. We do not really have any adequate truth in advertising or truth in packaging legislation. I am not certain that it has ever been really in force. I believe that the Department of Consumer and Corporate Affairs prefers to work in the dark. They like to conduct their little tests and they like to have their results kept out of the public glare. Their reports seem to be secret. We have a great deal of difficulty getting any information about them, and their decisions are seldom made public.

• (2:20 p.m.)

It is great to have beautiful legislation, if Bill C-163 may be described as beautiful legislation, but what is the point of having this legislation on the statute books? Thanks to the efforts of people like Senator Hart there is a great deal of legislation with respect to this subject on the statute books in the United States, but Ralph Nader, the sleuth for the consumers, has pointed out forcefully that it is not being enforced. The U.S. agency responsible for the enforcement of the legislation is grossly, under-staffed and perhaps also, too influenced by certain manufacturers. Anyway, it has not been able to deal effectively with the industrial lobbies of those who feel their standards are the right standards, even though their standards are not necessarily in the interests of the public. It is not enough to have this sort of thing as window dressing or tokenism. If we are not going to use the legislation, then debate becomes an exercise in futility. It is important that we use this kind of legislation, and that we work to make it more effective. I have suggested some areas in which we could do that.

The standards council of Canada trademark will bear official sanction, and if it does not do it explicitly at least it will imply that the government is responsible for the standards represented by the stamp. This is a much better situation than that in which the CSA stamp prevailed, whereby its seal of approval represented semi-governmental sanction—at least, its seal was often passed off as representing this.

When this new council is established it should concern itself not only with standards of quality and safety, but it should also concern itself with the encouragement of new techniques, new products, and new industrial processes. The housing task force headed by the hon. member for Trinity (Mr. Hellyer) indicated that the Canadian building code was full of archaic standards and did not take into account new techniques in that industry, which is probably the highest cost industry in the country. If better standards can be achieved through the use of new materials and new techniques, the old standards should not be perpetuated. This new council should encourage all possible innovation. One can envisage a situation in which a group of manufacturers have invested in certain plant and equipment, and the granting of the council's seal of approval to new techniques and new materials could make their equipment old-fashioned. They would have a vested interest in seeing that the old standards were maintained. I hope the new council will take matters such as this into consideration.

I would like to re-assure Conservative members of the House about the action of governments when moving into areas that once were in the private sector. Charity, once a private matter, has now become social welfare. Medical insurance has become medicare and hospitalization. Savings have become the Canada Pension Plan. When a job is not

being done well privately, when people are not being protected by private interests, then the government has to move in, and should move in.

Mr. Dinsdale: More Big Brother.

Mr. Rose: Hardly anyone on my right, including the hon. member from Manitoba in the front row—

Mr. Dinsdale: Brandon-Souris.

Mr. Rose: Excuse me; hardly anyone on my right, including the hon. member for Brandon-Souris, would stand up and suggest that we abandon the Canada Pension Plan.

Mr. Dinsdale: We are talking about the CSA.

Mr. Rose: This is a similar thing. In conclusion, Mr. Speaker, I wish to say that I support the concept of this bill. I hope it is not tokenism or window dressing. There are some suspicions to that effect, but I hope they are inaccurate.

[*Translation*]

Mr. Jacques-L. Trudel (Bourassa): Mr. Speaker, the Minister of Industry, Trade and Commerce (Mr. Pepin) has given us during this debate a clear and concise technical report. Later on the Minister of Consumer and Corporate Affairs (Mr. Basford) told us how the Canadian people would like to see these standards established.

If I may, I should like to go back a little in order to give the background of the subject, which will be useful since some members have said that we were trying to establish standards in a brand new field and that therefore, we did not know where we were going.

In order to do that, at the international and domestic level, we have to go back to the year 1700 B.C. At that time, the king of Babylon had been immortalized as a statue holding in his hand a measure 10½ inches long. Therefore, we are not really breaking ground in this field and all researchers agree that it is the oldest existing specimen of a linear measure.

Therefore, measuring would have existed long before writing. The Roman people, in compliance with the wishes of Alexander the Great, established and used a measuring system which spread all over Europe. However, it is only at the beginning of the industrial revolution, namely at the start of this century, that countries started to establish national standards in co-operation with manufacturers.

Essentially, standards are a means available to the consumer to indicate precisely his needs to the manufacturer, which requires of course the co-operation of several and various interested groups.

In that field, Great Britain established a national agency in 1901; Canada, Germany and the Netherlands in 1917; the United States in 1918 and Sweden, in 1920. Since then, several other countries also established standards councils.

There are now 55 countries with different agencies at the national level, almost all of them belonging to international organizations, namely the I.S.O. and the Electro-Technical Commission (IEC). In most of those countries, those agencies are totally or partially subsidized by the government.

Therefore, Mr. Speaker, we must establish at the international level, standards acceptable not only to member countries, but also other countries that have no national commissions or agencies but nevertheless take part in international trade.

Since the last war, the countries using the standards established by both above-mentioned associations have doubled. Therefore we should not be surprised at the spectacular increase in regulations these last few years.

The IEC was created in St. Louis, in the United States, in 1904 and now has its headquarters in Geneva. Canada has been a member of that organization since 1908.

The ISO was established in 1946 in London. Canada has been a member since then. It has succeeded the National Standards Federation, established in 1926, that had to discontinue its activities on account of the 1939-45 war.

Technical committees, especially from the ISO, combine national standards and establish international standards concerning a great variety of products such as paper, copper, pipes, boilers, agricultural machinery, etc. On account of Canada's importance in the export field, Canadian standards in the technical field are accepted with great respect in foreign countries.

The participation to ISO and to IEC is of great benefit. Therefore, our country must be ready to participate still more actively in the technological development of developing countries.

In Canada, standardization has developed considerably at the industrial and governmen-

tal levels because, as I said before, we are on exporting and we understand the need for international standards.

There are two parallel agencies in Canada. In fact, the Canadian Standards Association deals with the private sector. I would like to emphasize this point. Moreover, as I said before, there is a government agency which deals with the public sector and with industry. These two structures operate in the same manner thanks to committees that were created according to needs and where government and industry are represented.

However, it is difficult to eliminate the duplication of research and consequently the task becomes very difficult. Once it is established, the Standards Council of Canada will become responsible since it will represent Canada within the ISO and the IEC for the preparation of international and national standards.

The Department of Consumer and Corporate Affairs has received, I think, many publications concerning the establishment of standards for the sizing of garments. Indeed, the government was asked to establish in this field a Canadian standard and to give other instructions concerning consumer products. Therefore, this question becomes an urgent priority.

The control of standards in the private sector has been in force since 1917 as was mentioned. In the public sector, it has been in existence since 1934.

Therefore, it was decided to establish the Standards Council of Canada after studying the situation that prevailed in the United States, in Great Britain and in France as we have closed links with these countries.

In the United States, the ASTM, The American Society for Testing Materials, and the SAE, the Society of Automotive Engineers, control about 65 per cent of American standards.

There are, however, in that country several hundred other associations that are active in various sectors. That is the source of many problems at the present time. They would appear to be interested in watching closely the debate on the bill now before the House, Bill C-163.

Mr. Simpson, assistant secretary to the Minister of Trade and Commerce said, in February 1970, and I quote:

• (2:30 p.m.)

[*English*]

The lack of a strong (US) standards institute is the reason European officials have thus far refused to allow this country to join an agreement certifying that electronic components can be traded across national boundaries.

[*Translation*]

This is one of the reasons why they follow our activities very closely.

Various countries have been mentioned. In this regard, I should like to point out that in England, the B.S.I., that is the British Standards Institution, a national organization, is responsible for standardization. The English government finances that project in a proportion of 50 per cent.

The department responsible for this in England is the Department of Technology. The adoption of the metric system, which has been discussed by two or three members, will depend on the decision of the Standards Council of Canada.

In France, the *Association française de normalisation*—AFNOR—through committees, controls most standards, with already number in excess of 5,000.

In his remarks, the member for Gander-Twillingate (Mr. Lundrigan) wondered why we should not do as other major countries and leave to a private organization the responsibility for standards.

I should like to refer again to the few countries I have mentioned, particularly Great Britain.

[*English*]

Like the proposed standards council of Canada, BSI is an independent body government by an executive board on which government departments are officially represented; is incorporated under royal charter, which authorizes it to establish its own by-laws; receives substantial financial assistance from the British government—about 50 per cent of its income—

Mr. Dinsdale: Just like the CSA.

Mr. Trudel: It represents Great Britain in international voluntary standardization activities; administers the national certification mark, BSI's "Kite" mark, and is responsible for directing the technical aspects of Great Britain's conversion to the metric system.

Another country that I would like to look at, Mr. Speaker, where you will find such similarities is France, to which I have previously referred. Like the proposed standards

council of Canada, AFNOR is an independent non-profit organization in which producers, users and government are represented. It co-ordinates the work of standardization bureaus, of which there are 34, represents France in international voluntary standardization activities; administers the national certification mark; and submits an annual report, including financial statements to the French government.

In the United States, and I have referred to the United States before, like the proposed standards council of Canada, ANSI is an independent non-profit federation of technical, professional and trade organizations. It acts as a national co-ordinating institution for voluntary standardization in the United States; serves as a national clearing house for information of United States and foreign standards; does not engage in the preparation of standards; does not operate testing or inspection laboratories; represents the United States in international voluntary standardization activities, for example, ISO and IEC, and approves national or USA standards.

[*Translation*]

Despite the anxiety felt by the member for Gander-Twillingate and the member for Battle River (Mr. Downey), I believe that the situation in those three big countries is similar to the one described by the minister and that there would not be any conflict of interests.

In England, France, Japan and even Sweden, the controlling structures are therefore much more closely related to government. Those countries do not experience the duality in private and public sectors as it exists in Canada.

Mr. Speaker, I therefore wholly support the creation of the Standards Council of Canada, which will be responsible for co-ordinating the policy of Canadian standards and ensuring the participation of Canada to the establishment of international standards.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on this bill relating to a field that is quite narrow but exceedingly complex, I think, for the average Canadian and even for us members, I must say we are being asked to give our consent to changes in the long standing methods by which Canada has instituted standards in various fields that are so necessary to modern living. To name only a few products for which standards are necessary, there are building products such as cement, tiles, gypsum products, washers and threads, oil and gas furnaces, transformers, the automobile, safety ferrous metals, non-ferrous metals, timber products, wood preservation, welding, etc. Indeed, there are a whole host of materials that are used in daily work for which standards are necessary.

Up until now, this work has been carried on by the Canadian Standards Association which is a non-profit, non-governmental association to provide a national standardization body for Canada. This organization receives requests for standardization, investigates their desirability and arranges for the formation of committees with both the makers and users, scientific and technical societies, inspection authorities and government departments, to determine standards that will be acceptable to all concerned. These must meet with the approval of many provincial bodies who state what standards shall be used.

The Canadian Standards Association has provided leadership to benefit the consumer and also the manufacturer. In general, CSA seems to have been very successful in doing its part in promoting good, reasonable standards for Canada. CSA has at the present time over 650 standards committees with over 4,000 representatives of consumer technical organizations, federal and provincial governments and industry. Now, as well as these services, the CSA provides certification or approval services through its laboratories and agents in Canada and abroad. All in all, the CSA seems to have made itself a most useful means of effecting Canadian standardization that has been adequate for our needs.

Now, what is the government proposing in bill C-163 which will provide for the establishment of a standards council of Canada. Although the minister in his introduction of the bill continuously referred to the furtherance of voluntary standardization, the bill seems to go much further than would appear necessary to effect this. Either the government has decided at this time to move in on the Canadian Standards Association and assume their duties or it has deliberately made the powers of the bill so broad that it will at some time in the future be able to assume all the voluntary functions of the Canadian Standards Association without the necessity of bothering to ask Parliament for the necessary authority.

• (2:40 p.m.)

Perhaps this would be a good time to look at countries faced with similar problems. In

the United States, which has an economy much more complex than our own, there was introduced into the House of Representatives a bill for a "co-ordinating and clearing house agency" which dealt with the subject of standardization. The bill was not proceeded with and the United States counterpart of CSA, known as the American National Standards Institute, or ANSI, was devised to deal with problems of standardization. It seems particularly significant that CSA was used as a model for the United States body. Now, the minister is introducing legislation which in effect says that the existing CSA is not adequate or cannot be improved and that, therefore, we must have a government controlling body over the whole of the voluntary standards field.

In a report last year which confirmed that ANSI, which was modelled after the CSA, was working reasonably well, the president of ANSI stated that five years previously there had been a need for a more effective organization to use improved procedures for the voluntary co-ordination and promulgation of standards that would be recognized as United States standards, both nationally and in international standardization activities. Five years later ANSI is reasonably satisfied with its progress. Continuing his report, the president of ANSI said:

> Of at least equal importance to the primary findings was the Panel's conclusion that 'the development of standards should be left to the several private organizations already active in the field.' It also stated that: 'the voluntary nature of the development, promulgation, and use of 'USA Standards' is emphasized by the Panel in rejecting any suggestions of compulsion that would be in conflict with the principles of free enterprise.
>
> By and large these recommendations have been accepted and implemented through recognition that the technical competence required for the development of standards resides in the 160 technical societies, trade associations, labor and consumer organizations confederated in the American National Standards Institute.

The president of ANSI further stated:

> These facts also illustrate rather dramatically the problem that government agencies would face in recruiting the numbers, variety, and levels of specialized competence required to staff necessary standardization activities of the United States, if prime responsibility for this work should ever become a function of government. The extent and nature of cooperation between the government and private sector is the correct topic of debate. The question is not where the source of authority should reside—in government or the private sector—but rather how best can competence be organized and made most effective.

The minister raised a number of points illustrating the need for this legislation. He mentioned the need for representation for all concerned, meaning that some sectors of the community may not be adequately represented. I would be the first to admit that, especially in such an immense, widely varied and technical field, it might be difficult to find people conversant with all aspects of a problem. But I doubt if the government will be able to do better than the CSA has done. This organization, through its procedure for establishing committees of producers, consumers, government authorities and scientific and technical people, has ensured that a reasonably broad representation of interest is assembled in its standards-writing and review comments. The CSA is also planning to establish a consumer advisory council to the CSA's board of directors. There does not seem to be all that need for the setting up of a separate group to provide these services; indeed, it would seem that if the government did this it would end up with the same people.

Mr. Pepin: That is a contradiction, surely. Why did they have to wait for the government to intervene? Why were such bodies, such programs, not established before?

Mr. Ritchie: The minister also stated that the confidence of the public was necessary and seemed to imply this was lacking at the present time. So far as I can make out, there is no evidence that such public distrust exists. There does not seem to be any march on Ottawa with regard to these matters. The CSA employs over 300 technical and administrative personnel at its various laboratories across Canada and financial support comes mainly from the many services provided in the fields of product certification. So far, the federal government participation has been very limited in this field and I would think that the government should support these programs rather than taking them over completely. The CSA also has access to technical experts and facilities in Canada and, through its large membership of scientists and practising and consulting engineers, to the facilities of large companies throughout the world and government departments with technical staffs.

The minister mentioned the matter of impartiality. I am sure that Mr. Speaker is aware of the problem of impartiality, which is a matter that he has to face almost every minute of the day. It is largely a matter of judgment, or whose ox is being gored. All boards and committees are open to the charge of partiality, and a government appointed board is no exception. Indeed, food and drug

administration officials, of whose problems I have some knowledge, are usually accused of not doing anything. I am inclined at times to agree that it is better for them to do nothing than run the risk of getting into trouble. So, they are accused of partiality, especially on the licensing of new drugs.

The minister said that the standards council will cover a much wider area in the country and in the international field than is covered at present. I doubt whether the country-wide coverage is not at present adequate; I will certainly want him to substantiate this matter in committee when the time comes.

Mr. Pepin: Of course.

Mr. Ritchie: In the international field, Canadian industry participates in ISA work and CSA is at present very active in ISD projects. I will, therefore, follow with interest what the minister will propose in committee.

The Canada standards council we are told will make us aware of international trade strategy. Well, government does not always seem to have all the answers in this field. The grading of western grain is under the rigid control of the Board of Grain Commissioners, and for the first time in 20 years this matter is to be revised extensively. For many years wheat should have been considered and sold on a protein basis. It is generally considered we are five years or so behind our competitors in the grading of our wheat. Similar long standing deficiencies occur in connection with other grains. There have been repeated calls by all segments of agriculture and business, ranging from farm organizations to grain companies, for changes in grading regulations. Where were the alert watchdogs of the government who should have signalled long ago that changes were needed in our grain standards. They must have been asleep.

These are only a few of the matters that the minister and his officials will be required to answer in committee. The minister has protested at length that his interest is wholly in voluntary control and the furtherance of standardization. Indeed, the minister doth in many ways protest too much, making him suspect. It was stated in a briefing by the Director of the Office of Science and Technology, that, "It is not proposed that the Council engage directly in standards formulation, testing or certification activities which will continue to be carried out by existing standards organizations". Yet the powers of the council, under the provisions of subclauses 4(2)(c), (d), (e) and (g) will be formidable. Clause 4(2) provides in part as follows:

> (c) establish and circulate criteria and procedures relating to the voluntary preparation, approval, acceptance and designation of standards in Canada in those fields;
>
> (d) accredit, in accordance with criteria and procedures established by the Council, organizations engaged in standards formulation, testing and certification in those fields, and maintain a register of such organizations and of their standards marks;
>
> (e) review new standards and revisions of existing standards in those fields formulated by organizations accredited by the Council and approve those standards as national standards where appropriate, and maintain an index of approved standards;—
>
> (g) establish and register under the *Trade Marks Act* its own standards marks in those fields and, subject to that Act, authorize and regulate their use;—

• (2:50 p.m.)

These four subparagraphs suggest a series of steps that lead of necessity to a new standards review and writing agency. Having established criteria, organizations, in the first instance, are accredited and registered. However, the standards of these accredited organizations are reviewed and approved as national standards. These steps require a technical staff, a technical staff which will inevitably become the secretariat for standards-writing committees. This is the way standards are written. For the government to include such powers shows the intention to use them, otherwise why include them? It must imply an entry into a field previously handled by an independent body.

In closing my remarks, Mr. Speaker, I suggest that the powers the bill grants the council that will be formed go far beyond what the minister has suggested would be its functions.

I cannot get over the impression that this government likes change merely for the sake of change. In this bill it seems to pay lip service to the voluntary standardization, but leaves the way open for complete government control. The best assurance of a good product is that the maker wishes to sell and market an adequate and safe product. Even in the field of drug safety, with elaborate rules and laws and penalties, the Food and Drug Directorate admit they would have an impossible task if the vast majority of drug manufacturers did not strive assiduously and conscientiously to turn out a good product.

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I always listen with interest to the arguments advanced by the opposition. I am

sympathetic to many of them. Yesterday I listened with particular interest to my good friend, the hon. member for Gander-Twillingate (Mr. Lundrigan). He comes from a good province. Yesterday, he demonstrated beyond all possible doubt that there is no herring shortage in that province—at least red herring! I have never seen in this House more tattered regiments of arguments paraded than were presented yesterday afternoon. What it amounts to is that we are going to be dragged, kicking and struggling, into any kind of reform in this field which has been crying for reform for many years.

The hon. member spoke of the tried and true. He said there is something about experience and longevity which should be respected, indeed enshrined. Sin is old and sickness is old. No one would advance the criterion of age alone in order to advance arguments in favour of these evils. What we must do, without being partisan about it, is place this proposal under the microscope of this House and attempt to make some dispassionate judgments. Some of the arguments advanced by the hon. members for Dauphin (Mr. Ritchie), Battle River (Mr. Downey) and Gander-Twillingate are representative of a tunnel vision.

At the outset, I want to deal this afternoon with some of the international aspects of the measure before us. I also want to touch on some of the concern expressed by members of the opposition. Many of us appreciate the assurances given by the minister when he ably presented this measure yesterday afternoon. Members are aware that at least some members of the Canadian Standards Association, and I use the designation "some members" advisedly, are fearful of the measure we have before us. This is a long respected and established body. I would be unfair if I did not acknowledge the tremendous value which the CSA has been to the lumber industry in the province of British Columbia. This association has done a grand job. It has enabled the lumber products of my province to become competitive in the markets of North America and the markets of the world. What we really want to see in Canada is the same kind of excellence demonstrated by the CSA in, for example, the area of lumber, extended throughout British Columbia, the other provinces in Canada and, indeed, the entire Dominion in as many industrial and economic fields as possible.

It has been suggested if the bill is enacted that a federal government corporation will be given the power to supersede the Canadian Standards Association as the national agency for voluntary standardization in Canada. I do not believe that. Hopefully, this bill will reach the committee stage. I do not think hon. members will support this spurious proposal for a six months hoist advanced by the fearful member from Newfoundland. When the bill is before the committee, further assurances can be obtained from the minister and examined in greater detail.

I want to see the CSA carry on its useful and beneficial activities in this and other areas. The assurances given by the minister indicate that some of the fears which have been expressed are unfounded. The Council is designed to foster, promote and co-ordinate voluntary standardization activities in Canada. It is not intended that the Council should engage in standards formulation, and this has to be emphasized because the point has not even registered with the opposition, testing or certification activities, which would continue to be carried out by standards organizations such as the CSA. I, for one, want to see the CSA carry on its good activities inspired and assisted by government. Nor will the council duplicate other activities of such organizations. This is brought out very clearly in several sections of the bill. For example, Clause 4(1) reads:

> The objects of the Council are to foster and promote in Canada the voluntary standardization—

Section 4(2) states that the Council, in carrying out its objects, may:

> (a) promote co-operation among organizations concerned with voluntary standardization in Canada in those fields to co-ordinate standardization activities and develop common standards and codes;
>
> (b) promote co-operation between organizations concerned with voluntary standardization in Canada in those fields and departments and agencies of government;

Yet it is suggested there is something sinister about this provision. The hon. member for Gander-Twillingate said, "I smell a rat". I suggest he was smelling a red herring in his own back yard.

In addition, reference is made to organizations engaged in standards formulation, testing and certification and to the Council's relationships with such organizations in several other paragraphs of section 4(2), namely paragraphs (d), (e), (f), (i) and (j). I am not going to go into all the details. Members have this bill in front of them. From this it is quite clear that the council is not intended to supersede and replace existing standards organizations, but rather to assist such organ-

izations to play a larger and more effective role in formulating and promoting the use of standards in Canada.

The CSA can play an integral and expanding role in standards formulation in this country. I speak with enthusiasm about the contributions this organization has made. Some people say this council will be controlled by the civil service. It is intended that the council should provide a national focus for voluntary standardization embracing all Canadian interests. Members of the council will be drawn from all regions of the country and all sectors of the economy. It would not be appropriate to limit the groups from which membership would be drawn as, for example, has been done in the case of the Science Council of Canada Act, which sets up a specialized organization.

• (3:00 p.m.)

Section 12(1) of the bill provides for an executive committee consisting of the president, the vice-president and seven other members, of whom six shall be selected by the council and one shall be designated by the Governor-in-Council. The standards council will be responsible for selecting six of the nine members of the executive committee. I hope, Mr. Speaker, that the CSA will be invited to join and be given a role in this executive. I am sure the majority of hon. members in this House would support such an idea. This is not an attempt to end the existence of the CSA.

The hon. member for Gander-Twillingate put forward the other day the radical reform proposal of the Conservative Party. The most imaginative proposal he had to make was that we should hoist this bill for six months which would, of course, constitute its death sentence. Beyond that, they want to maintain the status quo. It was suggested there should be more time for discussion. Mr. Speaker, there have been four years of discussion with no limit imposed on the nature of the representation made by the organizations involved, including the CSA. No item was declared non-negotiable. The question might well be asked: What could be done in six months which was not accomplished in four years? The legislation is the product of consultation and detailed discussion. If it is imperfect, let it go to the committee as soon as possible, where improvements may be made. The proposal of the official opposition as enunciated by three of its representatives is an arid, sterile, and unproductive answer to a long-term need.

Mr. Lundrigan: Why are you so worried about our position?

Mr. Perrault: I hope the hon. member will extend to me the same courtesy as I extended to him the other day, and hear me out. Some officers of the CSA say the CSA is doing the job now. This assertion was advanced as a valid argument by the hon. member who has just walked out of the chamber. The bill, he told us, was an example of needless duplication. Yet despite the fact that it was granted letters patent in 1914, the CSA has not taken any real interest in at least 35 major areas during the 50 years of its operation. I will read some of them from the list I have here: petroleum products, aircraft materials and components, automotive vehicles and products, chemicals, hospital equipment, shipbuilding, mining equipment, building codes and practices, electronics, nuclear energy and agricultural food products. For one reason or another, perhaps for lack of resources, the CSA has not moved into these areas.

The standards council will be established to encourage the CSA to do so, and to take action in these and other areas. It will make use of existing organizations which are concerned with standardization. There is no intention that the council would, or should duplicate the functions of others.

Mr. Lundrigan: I am back. I had to answer an urgent telephone call outside the chamber.

Mr. Perrault: I hope it was from an irate constituent protesting the speech you made yesterday in this House.

Some hon. Members: Oh, oh!

Mr. Perrault: Then we are told that the CSA is the definitive organization operating in Canada. But is it, in fact, the only organization concerned with this work? The Canadian Government Specifications Board is also setting standards in this country. The CSA has produced roughly 900 standards since its inception. The CGSB has produced some 1,500. So it is not totally correct to say that the CSA speaks on behalf of all standards-writing organizations in this country. The standards council will exercise an overseeing role, one of promotion and co-ordination. The CSA would remain as an active standards-writing organization and would be called upon frequently to work in co-operation with it. This has been greeted with disbelief by members of the opposition but the position is, nevertheless, as the minister has stated.

The assertion has been made that under the terms of the bill before us the new organization would replace the CSA as the Canadian representative to international standards-setting bodies such as the International Standards Organization. This is also asserted by officers of the CSA. But as lately as 1968 the CSA recognized that the establishment of a standards council would necessitate its withdrawal from the field of international representation, and the association acquiesced in the move. These facts were not brought out in the speeches made by opposition members. Then some officers of the CSA claim that the CSA represents a broad range of interests already and that the SCC is not needed. In fact, Canada has never had a standards-writing body with a fully representative policy-making board. A number of areas are not covered by the CSA, the CGSB or industry standards-writing associations.

One of the most astounding arguments advanced, particularly by hon. members on the opposition side who come from Newfoundland, Saskatchewan and Manitoba, concerns the representation on the board of the CSA. It appears they want the status quo to continue.

An hon. Member: We do not.

Mr. Perrault: Under this bill the SCC would include one member from each of the provinces, six federal public servants and up to 41 representatives of trade associations and consumer groups. What about the composition of the CSA? One significant fact emerges. The three speakers from the opposition side who took part come from provinces which are not represented at all on the present board of directors of the CSA. There is not one board member from Manitoba, Newfoundland or Saskatchewan. However, there are 12 from Ontario establishing standards which are supposedly to be subscribed to by industries in the three provinces I have mentioned; there are five from Quebec and one from Alberta. How does Alberta like that? Twelve members from Ontario, and one from Alberta. There is one from British Columbia and one from New Brunswick.

There are no major industrial sectors represented on the present board. There are two federal civil servants on the board. I suppose this will alarm the hon. member from Newfoundland; it will lead him to think that the board is under federal control in some way.

[Mr. Perrault.]

Mr. Lundrigan: Nothing alarms me, coming from Newfoundland.

Mr. Perrault: Here are Members of Parliament, supposedly speaking with the interest of their provinces at heart, fighting to maintain a situation which does not give them any kind of representation at all upon a board whose decisions affect them. They may say otherwise, but I believe western Canada and the Maritimes deserve better representation on the standards-making body than they are getting on the present CSA board.

While the CSA has done excellent work in some areas, the board of directors has lacked balanced representation. Surely, it should be representative of all groups having a major interest in standards, including consumer, producer, trade and government groups; it should be impartial, with no group predominating; it should possess the confidence of the public at large; it should have a wide scope of activity and be concerned with all sectors in all parts of the country, and it should be aware of the country's international strategy.

What is this international strategy? We are in the midst of a tough trade war. We know that Canada lives by trade. In a world which is decreasing, as it were, in size, not only in the sphere of communication but also in the sphere of economics, there must be the strongest possible Canadian government representation within the international standards organizations. Two organizations are responsible for most international standards, apart from those which regulate food and drugs and which are usually covered by domestic legislation. They are the Organization for Standardization and the International Electrotechnical Commission.

The IEC is the older of the two bodies, having been established in St. Louis, U.S.A., in 1904. Its headquarters are now located in Geneva. It has carried out most useful work throughout the years since then, but only in the field of electrical standards. Canada has been a participating member country for many years. The ISO was established in 1946, but it then represented a reconstruction of a body first established in 1926 and known as the International Federation of National Standardizing Associations which disappeared during the strife of the Second World War. Canada was represented at the founding meeting in London, England of ISO. The field of activity of ISO covers all technical standards, with the exception of those handled by IEC.

• (3:10 p.m.)

These examples illustrate how ISO work affects major Canadian export industries. First, in the fall of 1955 it was discovered, almost by accident, that a draft ISO recommendation for unalloyed aluminum ingots was to be considered at a meeting scheduled to be held in Paris little more than one week later. This particular draft contained a detailed provision for major and trace elements that, by failing to recognize some important characteristics, would have effectively obscured the high quality available in Canadian aluminum and reduced its competitive position; and as we all know, aluminum is one of Canada's most important exports.

Arrangements were quickly made for two senior technical representatives to attend the meeting in France as fully accredited Canadian representatives. The Canadian viewpoint was presented, the draft was amended and the resulting recommendation is now in use throughout the world with no detriment to Canadian aluminum.

Second, at a meeting in 1961 the ISO committee on hewn, sawn and planed timber developed draft recommendations using metric units only, despite the fact that 58 per cent of the world's timber is sawn to inch dimensions. Fortunately, Canada joined the ISO committee in 1962 and was represented at the 1963 meeting held in Moscow. Thanks to the excellent spirit of informed compromise prevailing at the meeting, and the co-operation of the chairman, both systems of measurement are now included in the ISO recommendations. This is of great importance to the lumber-producing areas of Canada. I am citing these examples to indicate the importance of international standards to Canada as a trading nation.

One of the principal challenges lies in the field to international trade. The progressive reduction of tariffs in recent years, culminating in the Kennedy round which liberalized trade on some $40 billion worth of products, underscores the need for increased attention to international standards. While there are, of course, many barriers to the free flow of goods, few are more formidable than imcompatible national standards.

When international standards exclude Canadian-made products, the loss of sales by Canadian manufacturers is a problem for the entire economy. For example, the standards for television sets in Europe are different from those in North America; they call for a different principle of scanning lines on screens. Television sets described by these standards are not inherently better or worse than Canadian-made sets—they are just different. But the barrier to the sale of our television sets is as real as if the sets themselves had been excluded.

The way that we will promote more manufacturing industry in Canada is to achieve economy of scale by producing more goods that can be sold in greater quantities. Lack of international standards is an impairment of our ability to sell abroad and jeopardizes opportunities for Canadians to secure employment.

Standards and the benefits derived from them are so often taken for granted that their importance is frequently not appreciated until problems stemming from lack of standardization are encountered. The traveller abroad finds that an electrical appliance designed to operate on 100 volts at 60 cycles does not operate on 220 volts at 50 cycles. Members of parliamentary delegations know what a problem this presents. The purchaser of an imported article discovers that the metric sizes do not mesh with feet and inches.

Canada, whose position in the export market will depend increasingly upon its ability to market manufactured goods, cannot afford to ignore international collaboration in the setting of standards that can limit or enhance its trade prospects. In such participation there are fundamental guidelines, and the first basic is that international standards should not be formulated which for any reason through oversight or lack of initiative fail to take account of Canadian practices and thus limit sales potential where Canada has, or may have, a significant production or export capacity.

Second, the aim should be, where we are leading suppliers or where North American technology is pre-eminent, to have Canadian standards become the basis of the international standards, or to have them accepted as equal or superior to such standards. Third, where conflicts exist between North American and other standards, Canada should work for the establishment of a compromise international standard which can be incorporated into Canadian practices with a minimum of adjustment.

Finally, Canada should engage in international standards co-operation in certain areas of activity which may not be identifiable with the immediate Canadian interest. In particular, Canada should be prepared to assist in standards work of interest to developing

countries. This is an area where we could really do great work, because we are in an unique position to work with these developing countries. They like us and we co-operate with them in so many other fields.

These countries, as they progressively establish national standards, are likely to accept those which have international acceptance. In the years ahead when development barriers have been overcome and new nations are able to finance much higher levels of imports, a selling country will be at a disadvantage if it has not participated in the standards established for the needs of those nations.

What we have here is a concern expressed by the government of Canada which is asking us to gird our loins against the international competitive battles that are to come, both internationally as well as on the domestic scene. To limit our standards setting to one organization with insufficient resources, commendable though that organization might be and despite the great work it has done in the past, I think would be limiting our vision with respect to the future of trade in the world.

Time does not permit me to discuss the importance of establishing standards in our own domestic industry; one of the speakers will, I am sure, be pleased to deal with this question. By way of concluding, Mr. Speaker, we have heard the argument advanced that in view of CSA's major reorganization and the expansion of its operation it is now capable of performing many functions assigned to the council. It is said, "We have been around for 50 years, but we suddenly had a great soul-searching and believe we can now do better". This is commendable, because within the framework of this organization this reappraisal of function can still continue and standards-setting can proceed.

Yet it is a fair question to ask of those entering this claim: Why has this reorganization taken so long? Does it require the prospect of government action to inspire reorganization? What guarantee or assurance exists that the CSA or any other standards-setting organization in Canada, in two or three years time when a new set of executive members have come on the scene, will not alter its policy and gravitate once again to more limited goals? Surely it is impossible for the government to introduce a bill each time standards associations in Canada require a push, and then withdraw the proposal when the associations take some action. Surely what Canada requires is a standards association that has a permanent base with firm, immediate and long-range objectives; a council which, in effect, will cast a wide umbrella over standards-writing in Canada. We need a representative council, an impartial council, a prestigious council.

The whole question of voluntary standards is of great importance to Canada. The extent to which we achieve a national posture in the field of standards will play a significant role in determining the level of economic activity in this country. Therefore, it is essential to have a national and impartial organization, not to write standards but to foster, promote and co-ordinate standardization activities and to bring together all interests with a view to providing an effective partnership between industry, consumer and government. This is the basic reason for establishing a standards council of Canada.

It is the view of many of us that the Canadian Standards Association has a major contribution to make to the work of the standards council—yes, and to other standards-writing organizations as well. This will enable the CSA and other organizations like it to play a larger and more effective role in formulating and promoting standards in Canada.

I urge the support of the members of the House for this bill. Let us get it to committee, produce as sound legislation as possible, and get on with the job.

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

The Acting Speaker (Mr. Béchard): Order. The hon. member for Gander-Twillingate (Mr. Lundrigan) on a point of order.

• (3:20 p.m.)

Mr. Lundrigan: Mr. Speaker, may I make a suggestion which might be acceptable to the House? In view of the fact that each member may speak for only 20 minutes, and that the hon. member for Burnaby-Seymour (Mr. Perrault) obviously did not finish the notes that were prepared for him by the departmental official and quite obviously major points have not yet been made because his time was not extended, I wonder whether the House would consent to giving the hon. member maybe 45 or 50 minutes more, in the hope that during that time he could get his point across.

Mr. Perrault: Mr. Speaker—

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): Order, please.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the subject that we are discussing this afternoon is one that has been of growing concern to Canadians over the past number of years. This concern has been demonstrated by the number of members who have so far taken part in the discussion, and particularly by the hon. member for Burnaby-Seymour (Mr. Perrault) who spoke so apologetically just a few minutes ago.

Perhaps before I launch into my own observations I might answer the question the hon. member has propounded. He wanted to know why it is that the Canadian Standards Association of Canada has become more active in recent years in reorganizing its own activities in accepting greater responsibility in this matter. I think this is the result of general and growing public concern in the area of standardization. The very fact that this Parliament has set up a Department of Consumer and Corporate Affairs reflects the same area of interest—and that initiative was supported on all sides of the House. I am sure the Minister of Industry, Trade and Commerce (Mr. Pepin) who is piloting this bill through the House will agree with that observation.

When the Department of Consumer and Corporate Affairs was established, it was anticipated that any responsibility for establishing Canadian standard would come under the umbrella—I use that word advisedly—of that department. In fact, the organizational chart distributed in 1968 indicated that the standards branch would be the responsibility of the Minister of Consumer and Corporate Affairs (Mr. Basford). That minister demonstrated his interest in the subject by taking part in the debate earlier today. He observed that a good many of the complaints coming from consumers had to do with the question of standardization of Canadian products and, of course, the broader problem of standardization of products coming in from international markets. I suggest that this is not quite the situation which I as a Member of Parliament have experienced, and I am sure others on all sides of the House will support this contention.

The main complaint that I have received from concerned consumers has to do, not so much with the question of standardization as with the matter of the increasing cost of products in Canada; in other words, the problem of the accelerating cost of living that the government has been wrestling with, with a notable lack of success, for the past two years or so. I suggest to my hon. friend the Minister of Consumer and Corporate Affairs, who is not in the House, that this is an area of responsibility in which he has failed disastrously.

The minister talks about the manufacturers and the industrialists of Canada engaging in a process of public relations and puffery in order to confuse the people of Canada in respect of standardization of quality. I should like to suggest that the Minister of Consumer and Corporate Affairs has indulged in the same sort of puffery and public relations in respect of price controls. Indeed, when the department was established, the *Canadian Business* magazine featured a photo of the minister on the front page of its August, 1969 edition and the title of the article, as a result of this photographic presentation, was "Basford's Bureaucracy for Consumers". Let me suggest to the Minister of Consumer and Corporate Affairs that the great concern of Canadians is not primarily the matter of standards and quality; it is in respect of the rising cost of living which has experienced no beneficial effect from the operations of the new department since it came into operation some two years ago.

The hon. member for Burnaby-Seymour spoke in very kindly terms about the operations of the Canadian Standards Association in respect of the lumber industry in the province of British Columbia. He was on both sides of the question, however, because at one point he was condemning the operations of the CSA and at another moment he was complimenting that organization with faint praise. On the subject of red herrings, he was trying to indicate that the position of the official opposition was to oppose unconditionally the legislation that is before the House this afternoon.

Let me point out that the hon. member for Gander-Twillingate (Mr. Lundrigan) merely moved a motion to the effect that this bill not be proceeded with at the moment but that further consideration be given to its subject matter. I noticed that the Minister of Industry, Trade and Commerce was rather in sympathy with that proposition in his opening remarks.

Mr. Pepin: Oh, no.

Mr. Dinsdale: As I recall his words—I have re-read them for confirmation because I would not want to misquote the hon. gentleman's words or his position—he indicated

that the information he was giving to the House was newly acquired and he would like to transmit that newly acquired information to other members of the House.

Mr. Pepin: Perhaps I could explain why I made that remark, Mr. Speaker. I have always believed that showing humility yourself helps other people to do likewise.

Mr. Lundrigan: Why don't you talk to the hon. member for Burnaby-Seymour (Mr. Perrault)?

• (3:30 p.m.)

Mr. Dinsdale: Mr. Speaker, one of the beatitudes is "Blessed are the meek: for they shall inherit the earth." I fail to see that there has been much meekness manifested by this government in the two years it has been in office. I think one of the reasons the CSA has expressed its anxiety in letters to each member of the House—no doubt it has also been in touch with the minister—is that the bill before us goes much further than was indicated in conversations with the government over the past four years. They are concerned about the growing tendency of the government to resort to excessive powers in order to achieve whatever results it is attempting to achieve in the body politic. It is the old, emergency powers complex that used to beset the Liberal Party when it had been in office ad infinitum and ad nauseam until the year 1957, which attitude finally resulted in the downfall of that administration.

In the question that the minister raised a moment ago he indicated the reason he had used the phrase "newly acquired information" was that he wanted to indicate an attitude of humility, hoping that the same mood and attitude would be transmitted to other members of the House. But there is another aspect of this question that goes far beyond the interpretation that the minister has placed on his reference in this regard. He made that statement before the debate had even begun. Actually, when he was professing to be adopting a posture of humility he was assuming a posture of arrogance because he said his information was newly acquired and he, from his superior position of knowledge on the matter, was going to enlighten we who were less well informed, the ignoramuses of the House of Commons.

It also indicated that he was not going to listen to any of the recommendations that might be forthcoming during the debate and which might add to the store of knowledge that he has newly acquired in connection with his responsibility for piloting this legislation through the House. I want to make it abundantly clear that members of the official opposition are not against the idea of a co-ordinating council.

Some hon. Members: Hear, hear!

Mr. Dinsdale: In fact, we strongly support the idea of a co-ordinating council. Whether or not it should be under the auspices of the government or of a voluntary association such as the CSA is a matter to be determined. I understand from the minister's presentation and the comments of other members in this debate that the CSA has been carrying out negotiations and having conversations with the government over the past few years, as a result of which it was under the impression that the function of the council which will be set up under the terms of Bill C-163 would be limited to a co-ordinating function.

The reason they are expressing concern now is that under the terms of the bill as was pointed out so eloquently by the hon. member for Gander-Twillingate and the hon. member for Battle River (Mr. Downey) as well as other spokesmen for the official opposition, the powers of the council go far beyond the co-ordinating function which was originally conceived as being its role and the government-supported and established agency will move gradually into the whole area of standardization.

In view of the enthusiastic support of the hon. member for Burnaby-Seymour for at least the function of the CSA in establishing standards for the lumber industry, I expected he would be profoundly concerned and anxious about the government's unwarranted and excessive intrusion into this area of responsibility, one that was not originally indicated in the discussions that were held with the CSA.

The minister made another interesting observation which I am sure is in line with his reference to newly acquired knowledge and which suggested that he was open to advice and to serious second, sober thoughts: he suggested in the concluding part of his speech, the third from the last paragraph, something which I think is very pertinent to our discussions. It is to be found on page 4720 of *Hansard* and reads as follows:

> The government could have turned over its funds to an existing institution and said, "You do the job". However, it was believed that no agency existed which was national enough in scope and representative of enough interested parties, not only at the standards writing level but also, and,

mainly, at the policy-making level. No such organization exists at the present time. This is why we are, hopefully—

If I may make an aside, hope springs eternal in the human breast.

—creating one now.

I think this is a very excellent observation on the part of the minister. It is one that might well be considered if he accepts the amendment that has been moved by the official opposition, because it comes at the end of his speech where it seems apparent that even during the course of his presentation to the House he was having serious second thoughts about the government's excessive initiative in this regard.

Mr. Pepin: Mr. Speaker, I would like to explain what I meant. The word "hopefully" is in relation to the amendment that was moved by the opposition that there should be a six months' hoist. I was hopeful that the opposition would reconsider the amendment and accept to discuss the bill in committee, leading to the creating of the council. But my hopes do not seem about to be realized, if I understand the hon. member well.

Mr. Dinsdale: I take it from the minister's observation that he has some more newly acquired information and is considering the notion that perhaps a more effective and efficient system of co-ordination and dealing with the growing complexities of standardization on a national basis would be for existing bodies such as the CSA to handle it. The CSA, as I understand it, has done a creditable job.

The hon. member for Burnaby-Seymour said that those of us from Manitoba and from some of the western regions of Canada are not speaking in the best interests of the areas we represent. Surely he is aware that we have in the city of Winnipeg a testing laboratory sponsored by the CSA. I think this is a very important function in the whole process of standardization.

Beyond that, the CSA has been operating on a budget of $4.5 million, which is a considerable sum of money. We have heard the expression, "what's a million?" In light of the astronomical public expenditures being made, the sum I mentioned might not be as significant as it used to be; but $4.5 million is still a substantial sum of money. Only 1 per cent of the amount that has been expended by a voluntary association in improving the standard of Canadian products has been provided by the government of Canada. Here is perhaps another answer to the question that was asked by the hon. member for Burnaby-Seymour, namely, why has not the CSA been more active in this field?

• (3:40 p.m.)

I would say it has been as active as the funds available to it have allowed. Had the government been more generous, it could have been more active, particularly in light of the aroused concern of the people of Canada. I would hope the minister was quite serious and sincere when he posed, as a possible alternative, the public sector—the government—reinforcing existing institutions—

Mr. Pepin: He never did that.

Mr. Dinsdale: —rather than competing directly to the extent indicated by this legislation, with the inevitable result that the government will eventually supersede entirely the activities of the CSA in this field. This is what the CSA fears.

Mr. Pepin: It is not the CSA that fears that. Did you try to find out who it was in the CSA?

Mr. Dinsdale: The bill provides for a staff. Obviously, the standards council of Canada would be raiding the employees of the CSA, because there is no private body in this country which can stand up against the economic and financial powers of the government when it moves into an area of responsibility with such excessive, almost emergency powers such as those proposed in the bill before us. This is the protest we are making. We are not against a co-ordinating council. What we are opposing in this connection, as we oppose in connection with so many activities and initiatives of the government of Canada, is that it is assuming powers that are more than necessary, even in this Parliament, in order to exert its will upon the people of Canada. This is the fundamental point we are making. This is the reason for the growing concern about and suspicion of the government of Canada. I repeat again that I trust the minister is sincere when he is considering alternatives to this bill.

There is not much more I need to say on the subject at the moment, Mr. Speaker. I merely wanted to clarify some of the misinterpretations that had been placed on the position of the official opposition. We recognize the necessity for standardization of products, both in the domestic market and in the international market, just as we recognize—if

. may quote the hon. member for Burnaby-Seymour—the outstanding job that the CSA has done in this regard with limited public support, on a voluntary basis. We further recognize, Mr. Speaker, that other countries that were listed by the hon. member for Bourassa (Mr. Trudel), France, Sweden, Britain and the United States, prefer the voluntary approach to their standardization programs.

Mr. Pepin: He said almost exactly the opposite.

Mr. Dinsdale: How is the government going to proceed if it cannot get the voluntary co-operation of the manufacturers concerned? Take another example, Mr. Speaker. Through the proposals in the white paper, the government is moving into the private sector. I say to members of the government, you will put these people out of business and you will not leave any room for voluntary action and initiative by the people of Canada. This is why we ask the minister, in the amendment that we have moved, that he give further consideration to this matter so that he might add to his stock of newly acquired knowledge of the subject.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, a good many fears and misgivings have been expressed about this bill from the opposition side of the House. I believe that our fears in this party are not the same kind as those expressed by the two or three members who preceded me. I always enjoy hearing the hon. member for Burnaby-Seymour (Mr. Perrault) speak, but when he does I am reminded of the late Jan Masaryk who said that excitement is no program; and I keep saying to myself, eloquence also is no program. But he is a very nice person and soon settles down in his speeches to being a very "non-partisan" Liberal, with a big "L", so that we do enjoy hearing him. My fears are not those of the members of the Progressive Conservative Party. We in the NDP are not alarmed about the public authority moving into a given situation. As a matter of fact, in many situations today the public authority should be moving in because private business or private enterprise is not doing the job.

In the present case we are entitled to ask why the government is moving in, and what it will do when it does move in. If the existing Standards Association had been doing something different from what the government proposes to do, we might not be so concerned; but for the life of me I cannot see that the government is proposing anything very different from what the CSA is already doing. The CSA has been operating on a purely voluntary basis, and the government makes it very clear that this bill intends to do nothing except on a purely voluntary basis and that mandatory standards are out.

The Minister of Industry, Trade and Commerce (Mr. Pepin), who is in the chamber now, said as recorded at page 4715 of *Hansard*:

> Mr. Speaker, there are two types of standards— There are also mandatory standards—
>
> I underline that Bill C-163 is concerned exclusively with voluntary standards.

Mr. Pepin: What is wrong with the Minister of Industry, Trade and Commerce being interested in voluntary standards and the Minister of Consumer and Corporate Affairs (Mr. Basford) being interested in mandatory standards?

Mrs. MacInnis: That is an excellent question, but the trouble is that it is too convenient for the government to be schizophrenic like that. To the consumer half of the public they give the impression that they are going to put in standards that will protect the public, and to the corporate half they say, "This is just going to be purely voluntary."

Mr. Pepin: Mr. Speaker—

Mrs. MacInnis: No, please don't get up again; I have only ten minutes. A schizophrenic image is being presented. I knew of the danger of this image when the Department of Consumer and Corporate Affairs was established. I knew that sometimes the Minister of Consumer and Corporate Affairs himself would be schizophrenic. It is bad enough when we find the Minister of Industry, Trade and Commerce talking about a voluntary basis, and the Minister of Consumer and Corporate Affairs talking about a mandatory basis. That is serious enough because it confuses people.

But when the same minister begins talking both ways, as the Minister of Consumer and Corporate Affairs does at times, he has me worried, because people today are not able to stand the strain of seeing a cabinet minister himself show serious schizophrenic symptoms. They do not expect that type of thing, and it throws many of them for a loop. That is my objection and the objection of my party to this legislation. We are afraid that the government is moving in, not to provide standards for the Canadian people but so it will be

perfectly sure that equal and impartial standards are not provided for the Canadian people. The government intends to leave the question of standards up to so-called free enterprise, which is neither free nor enterprising. It proposes to leave this question mainly up to monopoly enterprise: if other people want to come along, O.K; and if they don't, that is O.K. too.

Mr. Pepin: Mr. Speaker—

Mrs. MacInnis: Mr. Speaker, I know the minister is exasperated. I would be, if I were sitting where he is. One is found out sooner or later, and here we are finding a little sin, or to change the image, a little skeleton in the cupboard.

• (3:50 p.m.)

When the Minister of Consumer and Corporate Affairs (Mr. Basford) was speaking today, the illustration that he used for the good of standards and how they are working beautifully in his department was not a voluntary one at all. He took the Hazardous Products Act, but under that act things are not left to voluntary restraint; it sets out clearly and plainly substances that are dangerous to people and prohibits them. People move against this mandatory legislation at their peril because penalties for endangering the public are set out in the act.

We find the schizophrenic minister with another piece of legislation, which is part way through now, making that legislation mandatory because there is enough public pressure to make it mandatory but refusing to put another piece of legislation in because he wants it to be voluntary and that does not fit.

I suggest we are at a stage of development as an industrial nation where we cannot leave important standards on a voluntary basis. Consumers are demanding to know what they are getting in the way of sizes in children's clothing, the quality of fibres and standards for the different things they use around the home. We had car safety up for discussion yesterday. Consumers are getting to the point where they do not like things left to the good will, or lack of it, of manufacturers individually or collectively. I tell you, Mr. Speaker, that voluntary standards mean unprotected consumers. Until we make the umbrella of standards cover everyone, we will have no adequate protection for the consumer.

As I say, I am still going to try to effect a divorce for the Minister of Consumer and Corporate Affairs and get him in two pieces so that his right hand will not need to try and conceal what his left is doing, or vice versa. I want to see him protecting the consumers. The corporations do not need protection; they are able to look after themselves only too well. I want to know a lot more about why this legislation is being introduced. If the organization already existing has been doing a good job—and the minister waxed very lyrical about what a good job it had been doing—it has been on a voluntary basis. Now they come along with a government agency on a voluntary basis to supplant it.

The only reason I can think of for this measure is to make sure that standards will be left on a voluntary basis. This theme is running through the rest of the government's legislation. I refer to the water act. Over and over again I am reminded that there will not be, if this government follows its present intention, any national standards for clean water. Why not? Because manufacturers in one area want to keep the water so that they can, for a fee, continue dumping effluent into it.

The answer for the government is to get voluntary standards because mandatory ones would make it impossible for sectional interests to continue carrying on the way they are. That kind of philosophy leads the government into a rather unenviable position. It puts them in the position of "big brotherism", always watching very carefully the scene: they are always considering, measuring, white papering and task forcing. But what they are really doing is making very sure that the status quo will be maintained, and that the strong will be able to keep their position of entrenched strength with just enough restraint of a voluntary nature urged upon them so that the consumers can continue to breathe, even if the air is polluted and the water filthy to the point where they do not even like to wash their dishes in it.

Speaking from the standpoint of the consumer, I say we should get rid of this nonsense of believing that any favoured section of the community needs special protection today. The consumers are all of us, and until we make standards safe and uniform to cover us all, they will not be standards at all.

My colleagues have already dealt adequately and thoroughly with this matter, but after listening to the minister this morning—not the minister who is here but the Minister of Consumer and Corporate Affairs, who is probably out dividing himself between consumers and corporations and not letting his

right hand know what his left hand is doing—when he spoke about the Utopia that would be created under this bill, I was reminded of my childhood and a meeting of Labour Party supporters that took place in Winnipeg. One old fellow came to this meeting and painted pictures of Utopia and how everybody would be living in gingerbread houses, with water flowing from the mountains and 1,600 more kinds of birds than we have now twittering on all kinds of fruit trees, and the skies filled with signs and he would be rising up in his glory to contemplate the whole scene. I thought of that Utopia this morning when the minister was holding forth on the beauties of this legislation and its possibilities.

In this Garden of Eden that the minister portrayed there was one perfectly good serpent: that was the idea of voluntary standards, voluntary controls, voluntary restraints —all those voluntary things. Things are to be voluntary only for the big folk; the little ones are restrained by law. How much voluntary restraint have the little ones got in the matter of consumer credit, after last night's budget? Voluntary restraint is frozen injustice. This is what I am afraid of as a result of this legislation.

[*Translation*]

The Acting Speaker (Mr. Béchard): Order. As it is four o'clock, the House will now proceed with private members' business as listed in today's order paper, that is to say, public bills.

PRIVATE MEMBERS' PUBLIC BILLS

CANADA LABOUR (STANDARDS) CODE

PROVISION FOR NOTICE AND PAYMENT TO EMPLOYEES WHEN LAID OFF

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-43 amending the Canada Labour (Standards) Code be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

[*English*]

He said: Mr. Speaker, we may have come out of the Garden of Eden but there are still a few serpents around that we should do our best to slay. Indeed, we now have before us a bill that relates to another set of standards.

I should like to remind the House that during this session we have broken with tradition a bit in that three of four or maybe even five or six private members' bills and resolutions have received concurrence during the private members' hour. In some cases that has meant simply the referral of a bill to an appropriate committee so that it could be studied further. I hope that this new tradition might continue this afternoon. Accordingly, with that fervent hope I shall present this bill in the most reasonable way I can. That is easy to do because it seeks to enact into legislation a principle with which we all agree.

• (4:00 p.m.)

The proposal of Bill C-43 is that the Canada Labour (Standards) Code be amended. That code is the legislation which lays down standards regarding minimum wages, hours of work, general holidays, vacations with pay and so on. But there are a few gaps in that legislation and this bill seeks to fill one of those gaps.

This bill proposes that within the area of employment that comes under federal labour jurisdiction there be a requirement that any employer who wishes to discharge or lay off an employee, provided the employee has been with that employer for three months or more, shall give two weeks' notice to the employee. The employee, of course, can be given two weeks' full pay in lieu of that notice, but the bill spells out that nothing less than that shall be given to such employee.

I point out immediately that the bill has in it a clause which shows how to work out full pay for two weeks. It also makes it clear that if the person who has received notice were to work overtime during that two weeks, he would be entitled to more than the two weeks normal pay. It also has in it a very important provision saying that nothing in this bill shall affect any greater rights set out in a collective agreement. One or two other points are covered in the bill, but in the main I have indicated what it seeks to do. It seeks to establish as a principle in federal labour legislation that provided an employee has been for three months with the same employer, that employee shall not be summarily discharged but shall be given at least two weeks' notice or two weeks' full pay in lieu of that notice.

When I stand here and present this bill to the House I do not feel like shouting from the house tops that it is the most wonderful bill I have ever drafted. As a matter of fact, I think it asks for far too little. I think for a person to be given only two weeks' notice or two

weeks' pay before being turned out into the cold of unemployment is really not enough, and I would not be at all unhappy if hon. members of other parties or members of my own party were to say that the bill should be amended to provide for three or four weeks' pay in such cases. But I have learned around here that you have to ask for a minimum in order to get something started. I hope the House generally will see this bill as introducing a principle that ought to be written into our federal labour legislation.

Every time a bill dealing with either of the labour codes comes before us—and it might deal with the standards code or the safety code—we have to make it clear that the federal labour law does not affect all the working people of Canada; it affects only those who come under federal labour jurisdiction as set out in the British North America Act. The main groups, of course, are those who work on our railways, on steamships, in banking, communications and a few occupations like that. The list is rather long, but even when you take all those covered by the list you find that you are speaking about only 10 per cent of the working force of Canada. The other 90 per cent of our workers are covered under provincial labour laws.

Nevertheless, it has been a fact of history in Canada that the federal government is able to give a lead, and what we write into federal labour law not only protects those who come under it but sets the pattern which in due course one province after another finds it expedient to follow. In this way, over the years, we have managed to build up a labour law which is not too much at variance as among the various provinces or between the provinces and the federal government. I should say that it is not always the federal government that gives the lead. In some instances provinces may give the lead, and I suppose this is good in a federal state like ours. It is good that patterns are set both ways.

We have been made aware in recent days of a number of instances of plants closing down and of sections of the labour force losing their jobs immediately. I will not quarrel at this moment with the answer the government makes when it says that some of these matters we have complained about come under provincial jurisdiction. The point I am trying to make is that even though many of these instances fall under provincial jurisdiction, surely it is a good idea to provide that under federal labour law workers cannot be discharged with almost no notice and without any pay for any period of time.

It is also a fact that most of the employees who come under federal labour jurisdiction, particularly railway workers, airline workers and groups like that, are rather well organized. They have this kind of protection. But there are still many who are under federal labour jurisdiction who do not have this protection. Because we do not have the principle enunciated in this bill written into laws which govern at the federal level, I submit there is a significant gap in the labour laws of this country.

As I say, I cannot imagine any member of this House not agreeing with the principle of the bill. I can imagine some questions about its details. The most significant criticism would be one that people like me would levy—that it does not go far enough. But surely in principle it is good. It is good that we in Parliament should say that so far as we can enact by legislation, nobody shall lose his job without being given either two weeks notice or two weeks pay in lieu thereof. Therefore, Mr. Speaker, I hope the House, after discussing the bill during this hour, will decide it is a good idea to give it second reading so that it can be referred to the Standing Committee on Labour, Manpower and Immigration for further study.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I do not know what Garden of Eden the hon. member for Winnipeg North Centre (Mr. Knowles) was referring to in his opening remarks. However, I commend the hon. member for bringing to the attention of the House, through the medium of this bill, a situation which merits the attention of every hon. member. His proposal is in the form of an amendment to the Canada Labour (Standards) Code and if adopted it would mean that employees would be compensated in cases of discharge or lay-off and employers would be forced to give employees due notice when their services were no longer required because of the closing of business, industry or for any other cause.

• (4:10 p.m.)

I do not hesitate to agree with the need for legislation to bring about a uniform policy governing every employer of labour in every part of Canada. I agree with the hon. member that the principle of this bill is good, the purpose of which, as I have already said, is to provide compensation for workers losing their jobs through no fault of their own. In this age

of automation it oftens happens that a particular job is eliminated by machinery or by the closing of an industry, or it can cause loss of seniority or other rights and privileges due to employees by virtue of length of service.

A few years ago I supported in this House a similar measure for the benefit of railwaymen who had lost their jobs as a result of changes brought about by the abandonment of branch lines or automation. The purpose was to have the railways pay the railwaymen being rehabilitated with new skills, the expense of moving to a new job, pension compensation for early retirement—if that was considered the better plan—or such other compensation deemed best for the re-establishment of discharged employees.

Public benefits through unemployment insurance to qualified workers seeking employment were also intended to help the displaced worker through the period in which he might be unemployed. In recent years, through collective bargaining, the concept of severance pay and the availability of unemployment insurance have been merged in a variety of ways. Workers who are laid off with or without the expectation that the lay-off will be permanent are also realizing, in cash or in vested rights and fringe benefits, what they stand to lose, together with compensation for wages lost. Traditional severance pay plans provide a money payment in a lump sum or instalments to workers whose employment has been terminated.

I recall that during the period when I was mayor of the city of Fort William our city-owned telephone service was changed over from manual to the present dial system. At that time we had approximately 70 telephone operators on the payroll, and with the installation of the dial system some 60 operators lost their jobs. The city council decided to give each of them severance remuneration, the amount of which was settled according to the months and years of employment of each individual. With a complete severance of the employment relationship, as in the case of the Fort William telephone girls, payments are such that only permanent separation is applicable. These awards are variously referred to as severance pay, termination pay, dismissal allowance, separation benefit, and lay-off allowance where lay-off implies permanent lay-off. Under such plans the payment of benefits is not contingent on the worker remaining unemployed.

The primary purpose of supplemental unemployment benefit plans is to provide weekly allowances to workers on lay-offs to supplement unemployment compensation. Usually the lay-off is not considered permanent, that is, both employer and worker expect the worker to be recalled on the job. Unlike traditional severance pay plans, supplemental unemployment benefits are paid only if the worker is unemployed.

The publication "Labour Standards in Canada" of December, 1967, reports that four provinces, Manitoba, Saskatchewan, Nova Scotia and Quebec, have legislation requiring an employer to give notice of termination of employment. The legislation is contained in part 3 of the Employment Standards Act of Manitoba, in the Minimum Wage Acts of Saskatchewan and Nova Scotia and in the Civil Code of Quebec.

As the hon. member who introduced this bill knows, in Manitoba an employer or employee in any work or occupation except farming must give notice of termination of employment, and unless a person is paid less frequently than once a month the period of notice required is one regular paid period. If employees are paid less often than once a month, reasonable notice must be given. But notice of termination is not required if an employee is hired for a fixed period.

In Saskatchewan an employer is forbidden to discharge, unless for just cause other than shortage of work, or lay off an employee for three months or more without giving him at least one week's written notice. An employee who has been given written notice is entitled, in respect of the period of notice, to his actual earnings in a week.

In Nova Scotia, as in Saskatchewan, an employer is required to give an employee with three months' continuous service or more, at least one week's written notice of termination of employment or lay-off. The provisions in these two provinces are the same so far as the employer's obligation is concerned. The Nova Scotia act also requires an employee with three months' service or more to give his employer at least one week's notice of his intention to terminate his employment.

In Quebec the Civil Code requires a domestic servant, journeyman or labourer engaged by the week, month or year to give one week's notice of termination of employment if hired by the week, two weeks' notice if hired by the month, and a month's notice if hired by the year. The employer must give similar notice where an employee's services are no

longer required. In lieu of notice the employer may pay the employee the wages he would have earned during the notice period.

At the forty-seventh session of the International Labour Organization held at Geneva on June 26, 1963, certain recommendations were made concerning termination of employment. Some of these recommendations are as follows:

Termination of employment should not take place unless there is a valid reason for such termination connected with the capacity or conduct of the worker or based on the operational requirements of the undertaking, establishment or service.

A worker who feels that his employment has been unjustifiably terminated should be entitled unless the matter has been satisfactorily determined through such procedures within the undertaking, establishment or service, as may exist or be established consistent with this recommendation, to appeal, within a reasonable time, against that termination with the assistance, where the worker so requests, of a person representing him to a body established under a collective agreement or to a neutral body such as a court, an arbitrator, an arbitration committee or a similar body.

Subparagraph (1) should not be construed as implying that the neutral body should be empowered to intervene in the determination of the size of the work force of the undertaking, establishment or service.

A worker whose employment is to be terminated should be entitled to a reasonable period of notice or compensation in lieu thereof.

Some form of income protection should be provided for workers whose employment has been terminated; such protection may include unemployment insurance or other forms of social security, or severance allowance or other types of separation benefits paid for by the employer, or a combination of benefits depending upon national laws or regulations, collective agreements and the personnel policy of the employer.

• (4:20 p.m.)

These recommendations concerning termination of employment are from the General Conference of the International Labour Organization in Geneva. As to the recommendation about methods of implementation, it was agreed it might be made through national laws, regulations, collective agreements, work rules arbitration awards, court decisions or in such other manner consistent with national practice as might be appropriate under national conditions.

Should the whole burden in these cases fall on the employer? That is a question which might well be taken up by a parliamentary committee for study and recommendation. Industries such as the Dunlop plant in Toronto, where it was recently reported that layoffs would occur, have certain obligations to their employees; such obligations are bound to arise whenever the position of employees is affected by the installation of labour-saving installations.

According to a news item in today's issue of the *Globe and Mail*, Goodyear Tire and Rubber Company of Canada Limited, Toronto, is to shut down along with plants at Valleyfield and Saint Hyacinthe in the province of Quebec. Announcements of this kind are bound to raise questions of considerable importance in this era of industrial change. Workers in the transportation industry, no less than workers in factories, are affected by them.

The threatened run-through by Canadian National at Nakeena in northwestern Ontario is an example. If carried out, it would impose real hardship on families living in this community. It would be a case of sacrificing the welfare of a small community on the cross of efficiency. I express the hope that it will not be necessary for the railways to take this drastic step.

Down through the years delegation after delegation has appeared before ministers and heads of departments to protest the curtailment of railway services, including express and telegraph service, and to discuss other matters of great concern to the men and women employed in our once great railway system. Sometimes their pleas have been directed to situations in other industries; I have in mind the occasion when the Canada Car plant in my constituency was about to close down due to lack of orders. Invariably these delegations were well received and a sympathetic hearing was given to their anguished pleas that consideration should be extended to workers on the verge of being displaced.

The bill before us today will not put an end to the displacement of workers because of shutdowns, automation or other causes, but at least it will offer some assistance at a time when help is most needed.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am glad to take part in the debate on the motion for second reading and referral to the Standing Committee on Labour, Manpower and Immigration of Bill C-43 which would incorporate into the Canada Labour Code a regulation compelling the employer to pay two weeks' salary to a laid-off employee.

I should like to tell the member for Winnipeg North Centre (Mr. Knowles) that I sup-

port the principle of his bill. I am glad to see him taking part in the debate. In a democratic system, it is normal that a man who is laid off due to an improvement aimed at greater efficiency, to cost shaving or to automation receive a payment.

I have a few things to say about labour relations in our country. There are two aspects to the question which should not be mistaken.

Labour groups, formed to protect the rights of workers, sometimes negotiate agreements with employers in the name of employees. But there is another category of workers in Canada who do not belong to unions and who represent 55 or 60 per cent of the Canadian labour force, although those figures may not be exact.

The rights of unionized workers are protected to some extent. The law recognizes their right to strike. It establishes a certain procedure for the approval of collective agreements when the two parties are at odds. The worker who belongs to an union can also make sure that the latter has made some investigations concerning his type of work, in order that the industry where he is working will not simply become obsolete and go out of business.

I will now discuss a quite important aspect. It is perhaps the most important in most cases. It often happens that on account of the attitude of the employer or the union, we are led to believe that money or wages is the most important consideration.

All those who bargain with employees know very well that the financial aspects of a collective agreement, at a given time, have less importance. Labour conditions would come first. Among them are many small practical considerations. I mean hours of work and retraining.

I am also referring to the problems of human relations that can arise between the foreman and the men and the way to settle them. Collective agreements specify recognized means to settle grievances or other similar difficulties.

There are also the provisions concerning leisure. In Canada, apparently, we are not yet smart enough to realize that we need more spare time, and this at all levels of our society, including workers, members of Parliament, executives, etc.

Canadians do not seem to have yet recognized the importance of leisure time. In fact, it is most important not to work 60 or 70 hours per week and to devote one hour or two per day to recreation. This time can be devoted to reading, or to any other physical activity. One can also devote his spare time to an intellectual activity.

In negotiating new collective agreements this particular aspect is beginning to be considered. Indeed, it is believed that the worker must stop work two hours a day in order to relax his mind or devote himself to physical exercise. Therefore, he is in top shape and works twice as fast and much more carefully. He feels more at ease. Furthermore, this is very good for his health. In Canada, some unions are concerned about that.

• (4:30 p.m.)

Mr. Speaker, I am mainly concerned about those workers who do not benefit from the provisions of collective agreements. Some of those people are even to be found in the employ of large companies, in forestry for example, where employees are not members of any union. Sometimes, when three lumberjacks use the same power-saw, the foreman says: I can no longer keep more than one worker. So, the other two must leave. They must then give up their job, because they do not have the $200 that are necessary for the purchase of a power-saw.

What is more serious, is that the employer tells the Unemployment Insurance Commission that the worker has given up his job voluntarily. That is obviously an extreme case, but it may happen. In fact, in my district especially, if often happens that unfair advantage is taken of some people by large companies. The principle of the bill submitted by the hon. member for Winnipeg North Centre appears to be wise, because the object of the proposal is to prevent exploitation of the worker.

Also, a good many workers are not in the employ of large companies and it could be argued that they allow inefficient undertakings to carry on their activities. Such businesses should not exist since the employers do not do enough for their employees and do not make available to them a useful apprenticeship. In short, the employee is the loser because after 10 or 15 years, the business goes bankrupt. The owner always succeeds in coming off without too much harm but it is always the employee who pays the piper.

I agree with what the hon. member for Winnipeg North Centre has just said, as what he is proposing only amounts to an absolute minimum. As I said, I approve the principle

of the bill before us. Provincial governments should also adopt similar legislation and all employers should be completed to include such provisions in collective agreements. If an employee works for a company or an individual for five or six years, the employer should be concerned about his security and give him severance pay when he is laid off to enable him to support himself for three weeks or a month—

An hon. Member: Two weeks.

Mr. Breau: —the hon. member says he should be able to support himself for two weeks. I feel it would be justified to extend this period to three weeks or a month in some cases.

I am pleased that this bill is now under consideration. I support the motion by the hon. member for Winnipeg North Centre. It is not often that I can support him, although I always hold his opinions in high respect. However, we do not share the same political views. In any case, I am glad to back him up. I know he is striving to improve the workers' lot, to get them better protection by society. The challenge our society will be facing in the 70's and even in the 80's will be to enact legislation that will better serve the workers' interests. Besides, that problem should urgently be solved.

The hon. member knows that things will not necessarily change through legislation. Canadians, and more particularly the employers, must recognize the principle to the effect that employees are not machines to be be paid $40 or $100 per week. They must no longer be told to go when the work is done.

I think that in the years to come, the challenge for our society, in Canada as well as in the United States, will be to find, by means of legislation or otherwise, how to protect the interests of unorganized workers.

When we speak of collective agreements, a lot of people think that it is a threat to economy, but I do not agree. The Minister of Labour (Mr. Mackasey) said recently that strikes were the price to pay for democracy. It may be an over-simple manner to visualize things but the philosophy under this approach is not for all that devoid of any sense. Many civil servants are against the right to strike, but under a democratic system, it must be recognized that the worker has to protect his interests, his rights and his privileges, which is getting more and more urgent.

Today, we are in an era of automation and I could quote as an example the case of a company that would settle in a small town that I know, but because its technology is not developed, could ruin the life of all those people not only financially but socially as well. This phenomenon exists in certain parts of Canada. In my riding there are some small towns that a single company could turn into ghost towns.

However, when employees become well organized and see to it that the company that hires them is going into research in order to progress through automation, that company will not be able to state one fine day that it can no longer operate.

I therefore say again to the hon. member for Winnipeg North Centre that I agree with the principle of the bill. I trust that some time in the future the provinces will adopt a similar bill, that it might no longer be necessary to adopt laws such as this one, because what I have just dealt with will have become a working condition recognized throughout the country by all employers.

[*English*]

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I should like to commend the hon. member for Winnipeg North Centre (Mr. Knowles) for introducing this bill. I know that in so doing he has drawn attention to a situation in Canada which must leave many of us very unhappy. Probably most of us thought that this matter was already taken care of by various regulations, or perhaps even just by custom throughout the country; but obviously it is not properly taken care of.

The hon. member for Fort William (Mr. Badanai) has pointed out that only four provinces in Canada have regulations in the provincial jurisdiction covering this question. In other provinces of Canada and elsewhere it seems to be the custom that an employee is given notice according to the length of his normal pay period; that is to say, if he is employed by the week, it is assumed that he is entitled to a week's notice. If he is paid on the basis of every two weeks, twice a month, or monthly, he is entitled to notice for the length of his pay period.

• (4:40 p.m.)

We must all recognize that this indefinite situation leaves a great deal to be desired, and it leaves both the employer and the employee wondering what is the fact today. In many instances it must leave the employee the victim of an unscrupulous employer who takes advantage of a situation, which may not

be written into law, to dismiss an employee without the kind of notice to which he is entitled. I think we have come a long way from the kind of situation in the past when employees were treated as chattels and could be dismissed on a moment's notice or at the whim of an employer. We now treat employees with some deference and respect for the responsibilities they have. I commend the bill the hon. member has introduced today.

I understand that the Department of Labor is now considering legislation, or a regulation of this kind. I think it is important, now that the bill has been introduced, that we look at the inferences in it and consider what is being done in other jurisdictions, in order that these thoughts may be of use to us in developing similar legislation and regulations in Canada. I believe there are some things in the bill that need improving. As the hon. member for Winnipeg North Centre himself said, there are in the bill some things that could be improved. I notice the absence of enforcement regulations in the bill—enforcement on the part of the employer and the employee.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question?

Mr. Howard (Okanagan Boundary): Yes.

Mr. Knowles (Winnipeg North Centre): Does he not realize that this matter would be covered, because the bill would be an amendment to the Canada Labour (Standards) Code and there are already enforcement provisions in the code?

Mr. Howard (Okanagan Boundary): I appreciate that clarification. The hon. member has much more experience in these things and has been in this House many more years than I have. I appreciate his clarification on that point because I have experienced situations of this kind. Sometimes the fault is not that of the employer: quite often the fault is the employee's because he decides suddenly to leave the employer. The hon. member mentions this matter in section 34H. I am glad to see it is there, because the situation I have mentioned could work a hardship.

Lack of responsibility sometimes by employees could be a distinct detriment to a business that needs the services of a skilled employee and suddenly finds it does not have that service available. Responsibility has to be shown by the employee as well as the employer. I appreciate that this provision is in the bill, and I hope that when this idea is propelled further, regulations will be put into effect which will make this measure enforceable.

I was very surprised to discover that there are only four provinces in Canada which have regulations of this kind. As the hon. member for Fort William pointed out, Manitoba, Saskatchewan, Nova Scotia and Quebec have such regulations. The regulations for giving notice do not apply if a general custom or practice which is contrary to the terms of the act prevails in an industry. These are some of the provisions that exist when different conditions as to notice are established by collective agreement. If employment is terminated during an employee's first two weeks on a job, notice is not required unless the employer and the employee have agreed in writing that the requirements of the act shall apply. An employer is permitted to establish a practice whereby employment may be terminated with a shorter period of notice than that provided for in the act or in provincial acts, and the practice is considered to have been established one month after he has posted notice of these things.

It seems to me that regulations of this kind leave a great many loopholes that need to be filled. These matters have to be spelled out in a better way. It is true that complaints can be placed before provincial ministers, say within a 90-day period, and procedures are laid down under some provincial regulations for so doing. In Saskatchewan an employer is forbidden to discharge, unless for just cause other than a shortage of work, or lay off an employee who has been in his service continuously for three months or more, without giving him at least one week's written notice. A lay-off is defined as a temporary dispensation of an employee's service for a period of more than six consecutive days.

In Nova Scotia, as in Saskatchewan, an employer is required to give an employee with three months' continuous service or more at least one week's notice of termination of employment or lay-off. The provisions in these two provinces are similar so far as employee's obligations are concerned. The Nova Scotia act requires an employee with three months' service or more to give his employer at least one week's notice of his intention to terminate his employment. Those are some of the provincial regulations we must consider, together with international thinking on this subject. We gain much of our information about labour relations and much

of our direction, initiative and inspiration from the International Labour Organization. They have studied this matter and have come up with recommendations, specifically as a result of a meeting that was held in 1963. I should like to discuss some of these points because I think they are valuable and can be of guidance to us in considering this matter.

It is suggested in the International Labour Organization agreement that the effect of their recommendations can be brought in through national laws, collective agreements, regulations, work rules, arbitration awards, court decisions or in such other manner consistent with national practice as may be appropriate under national conditions. I shall refer to some of the things they feel we in Canada and those in other parts of the world should be doing. Let me refer to the question of a reasonable period of notice. Section 7 of the agreement says:

A worker whose employment is to be terminated should be entitled to a reasonable period of notice or compensation in lieu thereof.

During the period of notice the worker should, as far as practicable, be entitled to a reasonable amount of time off without loss in pay in order to seek other employment.

Such a provision might well be included in a bill of this kind. If an employee knows he will have to find other employment, it seems fair that he should be allowed a reasonable period in which to seek a new position. He should have the opportunity to go for an interview or fill in an application for employment. The next paragraph of section 7 states:

The worker whose employment has been terminated should be entitled to receive, on request, at the time of the termination, a certificate from the employer specifying the dates of his engagement and the termination and the type or types of work on which he was employed.

This is another very useful provision. It suggests that nothing unfavourable to the worker should be inserted in the certificate. There is in the suggested regulations a point about an employee's misconduct. I think this point should be looked at because it does bear on the question.

In case of dismissal or serious misconduct, a period of notice or compensation in lieu thereof need not be required, and the severence allowance or other types of separation benefits paid for by the employer, where applicable, may be withheld.

• (4:50 p.m.)

It makes suggestions regarding misconduct because these are questions employers will ask, and I think they are entitled to ask them because the government must act on this matter for both labour and management. I think we stand between the two. The agreement reads in part:

Dismissal for serious misconduct should take place only in cases where the employer cannot in good faith be expected to take any other course.

An employer should be deemed to have waived his right to dismiss for serious misconduct if such action has not been taken within a reasonable time after he has become aware of serious misconduct.

A worker should be deemed to have waived his right to appeal against dismissal for serious misconduct if he has not appealed within a reasonable time after he has been notified of the dismissal.

Before a decision to dismiss a worker for serious misconduct becomes finally effective, the worker should be given an opportunity to state his case promptly, with the assistance where appropriate of a person representing him.

Those are all very valuable recommendations which should be included in a properly drafted bill when the time comes. Some exceptions are noted in the ILO recommendations. I think they are of interest to us today. They are:

workers engaged for a specified period of time or a specified task in cases in which, owing to the nature of the work to be effected, the employment relationship cannot be of indeterminate duration.

We could all readily cite examples where that might be the situation. Certainly, if a man is hired for snow removal—perhaps not in Ottawa but in some other parts of the country—his work is of a temporary nature and perhaps is not entitled to such consideration. I see that the hon. member for Grenville-Carleton (Mr. Blair) takes exception to my comments about the weather in Ottawa. Another member from the Vancouver area suggests that in Vancouver the man would be completely unemployed. The following are the other exceptions:

workers serving a period of probation determined in advance and of reasonable duration;

You can hire a man for a specified period which might be more than three months but which would be a specific period of time. The next exception is as follows:

workers engaged on a casual basis for a short period; and

public servants engaged in the administration of the State to the extent only that constitutional provisions preclude the application to them of one or more provisions of this recommendation.

Those are some of the very excellent recommendations put out by the International Labour Organization in 1963. I think they are

worth a great deal of attention by the government when a bill of this kind is drawn up by the committee.

Mr. Winch: Will it get to committee?

Mr. Howard (Okanagan Boundary): I hope it will. As I mentioned earlier, I understand the Minister of Labour (Mr. Mackasey) is considering regulations of this kind, so whether or not this bill goes forward I am sure the matter will receive favourable consideration. We can all be glad this is the case, because I am sure there is agreement on all sides of the House that legislation of this kind should become part of the legal structure in Canada. It is a shock to us to find that only four provinces have similar provisions in their legislation and that the federal government does not have them in its federal labour code. This bill is long overdue, and I heartily support it. I hope it goes forward, and I commend the hon. member for having introduced it.

Some hon. Members: Question.

[*Translation*]

Mr. Grant Deachman (Vancouver-Quadra): Mr. Speaker, we are now studying Bill C-43 entitled "An act to amend the Canada Labour (Standards) Code (Notice and payment to employees in case of discharge or lay-off)."

This is not the first time, Mr. Speaker, that such a bill comes before the House; the hon. member for Winnipeg North Centre (Mr. Knowles) introduced this bill in the House of Commons on another occasion, during another session of another parliament. Both sides of the house support the idea.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question?

[*Translation*]

An hon. Member: In French!

Mr. Ray Perrault (Burnaby-Seymour): In French only!

Mr. Knowles (Winnipeg North Centre): In French? We are all bilingual now, aren't we?

[*English*]

In view of the fact that all the speakers today, and now the hon. member, have expressed themselves in favour of the principle of this bill, I wonder if we could have the bill sent to the committee so it could be considered further en Anglais et en Français.

Mr. Deachman: I hesitate for only one reason, that is, the government is now studying the matter raised by the hon. member for Winnipeg North Centre (Mr. Knowles). We know also that we are not dealing with a relatively simple subject which we can pass in the House of Commons in the form of a private member's bill. We need only look at the clauses involving such subjects as notice, payment to employees, computation of wages, savings, notice of intention to terminate, and so on.

Mr. Speaker: Order, please. In both French and English it is now five o'clock. The House will adjourn until Monday at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 16, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. D. Gordon Blair (for Mr. Tolmie) moved that the seventh report of the Standing Committee on Justice and Legal Affairs, presented to the House on Friday, March 13, 1970, be concurred in.

Motion agreed to.

THE CANADIAN ECONOMY

INFLATION—COST OF LIVING INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I ask the unanimous consent of the House to move a motion under Standing Order 43 to discuss a matter of urgent public importance, namely, the accelerated rate of increase of the consumer price index—the cost of living—during February, which raised the general level of prices in Canada 5 per cent above the level of a year ago, and particularly, the refusal of the government to apply sanctions against those who raise prices by more than the government's guideline, thus enabling sellers to continue to raise prices by whatever amount they desire, and making impossible the control of inflation.

I therefore move the following motion under Standing Order 43:

That this House, comprising the elected representatives of all the people of Canada, consider and recommend a more effective method of controlling and keeping within reasonable bounds the accelerating increase in the cost of living.

Mr. Speaker: Hon. members have heard the proposed motion. Under the terms of Standing Order 43 unanimous consent is required. Is there such unanimity in the House at this time?

Some hon. Members: Agreed.

Some hon. Members: No.

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

• (2:10 p.m.)

YOUTH

CANADIAN WELFARE COUNCIL REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise to ask, under Standing Order 43, for unanimous consent of the House to put forward a motion which I think will be greeted with approval by all hon. members. Recently the Canadian Youth Council made public a report on youth policy which I feel should receive the immediate attention of all members of this House. Therefore, seconded by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), I wish to move the following motion:

That the report on youth, published by the Canadian Welfare Council on Friday, March 6, 1970, be referred to the Standing Committee on Health, Welfare and Social Affairs, for consideration and report.

I may say that I gave the minister notice of my proposed motion, Mr. Speaker.

Mr. Speaker: Again I must remind hon. members that the motion proposed by the hon. member for Yorkton-Melville requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not the unanimity required under the Standing Order; therefore the motion cannot be put at this time.

CANADA GRAIN ACT

ESTABLISHMENT OF COMMISSION, PROVISIONS RESPECTING GRADING, LICENCES, ELEVATORS, ETC.

Hon. H. A. Olson (Minister of Agriculture) moved for leave to introduce Bill C-196, respecting grain.

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

Questions

PRIVILEGES AND ELECTIONS

REFERENCE TO STANDING COMMITTEE OF REVIEW OF REPRESENTATION COMMISSIONER ACT

On the order: Government Notices of Motions:

March 13, 1970—The President of the Privy Council: That in relation to S. 22 of the Representation Commissioner Act, Statutes of Canada, 1963, C. 40, the Standing Committee on Privileges and Elections be empowered to review the provisions of the Representation Commissioner Act and recommend to the House any amendments, alterations or modifications thereto that to the said Committee shall appear to be necessary or desirable.

Mr. Speaker: Pursuant to section 2 of Standing Order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the House.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

INCENTIVE GRANTS APPROVED

Question No. 631—**Mr. Skoreyko:**

1. How many (a) primary incentive grants (b) secondary incentive grants, have been approved to date by the Department of Regional Economic Expansion and on what basis, under the terms of the old Area Development Incentives Act or under other legislation?

2. Under (a) and (b) above, what is the name, the proposed location and the type of industry or other commercial enterprise to which grants were extended and what was the amount involved in each case and in total?

3. How many applications for incentive grants have been rejected by the Department of Regional Economic Expansion, to date, and what were the types of business enterprise and place of proposed location involved in such unsuccessful applications?

4. Has the Department of Regional Economic Expansion any plans to extend or alter the boundaries of the area currently designated as eligible for incentive grants?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1, 2 and 3. The Area Development Incentives Act did not provide for primary and secondary development incentives. Details of operations under the Regional Development Incentives Act are tabled monthly.

4. Not at this time.

[Mr. Olson.]

CONSULTATIONS RESPECTING POTASH

Question No. 682—**Mr. Burton:**

1. Did consultations take place between the Government of Saskatchewan and the Government of Canada concerning trade and prices of potash shipped from Saskatchewan to the United States and, if so, on what dates?

2. Where did the consultations take place and who represented each government at such consultations?

3. Who requested the consultations in each case?

4. What representations were made by the Government of Saskatchewan at each of these consultations, and what was the view of the Government of Canada regarding such representations?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Yes, a number of consultations were held with the Saskatchewan authorities.

2. In addition to meetings in both Ottawa and Regina, consultations were conducted by telephone on a number of occasions. These consultations were conducted at both the ministerial and official levels.

3. Both Saskatchewan and federal authorities initiated individual consultations.

4. The consultations form part of the continuing interchange of information between the federal and Saskatchewan authorities on potash problems. As these exchanges are continuing, it is felt that the precise views and opinions expressed should remain confidential.

COST OF LIVING INCREASE IN PRIVATE PENSION PLANS

Question No. 1,030—**Mr. Robinson:**

1. Will the federal government consider legislation whereby private pension plans will be escalated in accordance with the Consumer Price Index instead of remaining constant as at present?

2. Will the federal government consider subsidies to fund the increase in private pension plans if necessary?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. No.

2. No.

*NATIONAL PRESS CLUB LEASE

Question No. 1,041—**Mr. Knowles (Winnipeg North Centre):**

1. Has the Department of Public Works leased space in the government-owned building located at 150 Wellington Street, Ottawa, to the National Press Club and, if so, what are the terms and conditions of such lease?

2. Was the lease noted above made under the authority of any regulation or other instrument and, if so, was such regulation submitted for approval as required by Section 3 of the Canadian Bill of Rights?

3. Does the Department of Public Works rent or lease space in any government-owned building to any other organization that excludes any persons from membership by reason of race, national origin, colour, religion or sex (see Section 1 of the Canadian Bill of Rights) and, if so, in what buildings and to what organizations?

Hon. Arthur Laing (Minister of Public Works): The answer to the first part is yes, we did lease to the National Press Club the entire second floor comprising 3,890 square feet for five years from June 1, 1967 to April 30, 1972, for $600 a month. The National Press Club also pays for taxes, electricity, cleaning, toilet room supplies, garbage removal, and for office partitions and counters.

The answer to the second part is the lease was made under the authority of section 39 of the Public Works Act and Order-in-Council 1967-53/174 which authorizes the Minister of Public Works to:

—execute on behalf of the Crown leases of lands and buildings under the administration and control of the Department of Public Works and not immediately required for public purposes, where such leases do not exceed a term of five years, the rental in each case to be determined by the Minister of Public Works.

We are advised by our legal section that an Order-in-Council is not a regulation and therefore does not have to be approved by the Minister of Justice as referred to in section 3 of the Bill of Rights.

The answer to part three is probably so, for example, the Boy Scouts.

REPLACEMENT FOR INDUSTRIAL CONCILIATION BOARDS

Question No. 1,064—**Mr. Robinson:**

Will the federal government advise what will replace the conciliation boards that are recommended for abolition in the report of the Woods Task Force on Industrial Relations?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

PRICES AND INCOMES COMMISSION PERSONNEL

Question No. 1,069—**Mr. Orlikow:**

1. Who are the members of the Prices and Incomes Commission?

2. When were they appointed and for what period?

3. What is the annual salary of each member?

4. Were some members in the employ of the federal government before appointment to the Prices and Incomes Commission and, if so (a) who were they (b) what position did they hold prior to their appointment (c) what salaries did they receive?

5. Of those members not in the employ of the federal government before appointment to the Prices and Incomes Commission (a) what position did they hold prior to their appointment (b) what salaries did they receive while holding this position?

6. Have the members of the Prices and Incomes Commission divested themselves of all financial interests in business?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. J. H. Young, Chairman; P. Gérin-Lajoie, Vice-Chairman; G. E. Freeman, Commissioner; G. V. Haythorne, Commissioner.

2. The members of the Prices and Incomes Commission were appointed by Order-in-Council P.C. 1969-1249 of June 19, 1969, and their terms of appointment expire on December 31, 1971.

3. J. H. Young is receiving remuneration within the range of a DM 3 ($37,000-$40,000). P. Gérin-Lajoie is receiving remuneration within the range of a DM 3 ($37,000-$40,000). G. E. Freeman is receiving remuneration within the range of a DM 1 ($28,000-$33,000). G. V. Haythorne is receiving remuneration within the range of a DM 1 ($28,000-$33,000).

4. (a) George V. Haythorne. (b) Special Adviser to the Minister of Consumer and Corporate Affairs. (c) Salary—DM 1 ($28,000-$33,000).

5. (a) J. H. Young, Dean of Arts, University of British Columbia; P. Gérin-Lajoie, Member of the Quebec National Assembly; G. E. Freeman, Chief of Research, Bank of Canada. (b) The salaries of persons prior to their joining the Public Service are not within the official knowledge of the Federal Government.

6. Information on the private financial holdings of public servants is not within the official knowledge of the Federal Government.

Questions

DANGEROUS SEXUAL OFFENDERS IN PENITENTIARIES

Question No. 1,083—**Mr. Orlikow:**

1. What is the total number of persons in Canadian penitentiaries that have been convicted and sentenced under the Dangerous Sexual Offenders Sections of the Criminal Code?

2. (a) How many of those so sentenced have received paroles (b) how many have violated their paroles (c) how many have been re-convicted while on parole and was the offence the same?

3. What is the average stay before parole is considered?

4. What programs are made available to these persons while they are incarcerated?

5. Has the medical profession been consulted as to treatment being given and, if so (a) haw many have received such treatment (b) how many failed to make progress (c) have any persons been denied such treatment if such treatment was recommended?

6. Has the government taken any steps in this direction?

7. Have the inmates choice in case they wish to seek out such treatment and, if so, what provisions have been made?

Hon. G. J. McIlraith (Solicitor General): 1. Sixty four as of February 24, 1970.

2. (a) Twenty one. (b) Eleven, Breach of terms and conditions of parole. (c) One, No, offence of common assault.

3. Cases are considered as soon as possible after admission, in any event within six months thereof, and the parole review date is fixed. Average stay before release to parole has been eight years, five months and 17 days.

4. Programs of education, vocational and trades training, social education, citizen participation, religion and recreational training.

5. Yes. (a), (b), and (c). Statistics are not available as to the numbers who have received treatment nor of any who may have failed to make progress. No persons are known to have been denied treatment recommended.

6. Yes.

7. Yes—inmates may avail themselves of the psychiatric facilities available in our major institutions and more specific therapy is at times available.

CULTURAL EXCHANGES BETWEEN CANADA AND BELGIUM

Question No. 1,093—**Mr. Asselin:**

1. Has the Department of External Affairs budgeted for a program of cultural exchanges between Canada and Belgium and, if so (a) in what amount (b) what are the details of such budget?

2. What amount is the Belgian Government allocating to this program?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Cultural exchanges with Belgium come within the program of cultural relations with Francophone countries. The program budget for Belgium this year is approximately $80,000 and is composed of $50,000 for academic exchanges, $25,000 for exhibitions and other activities of a cultural nature and $5,000 for other cultural exchanges (book presentations and visits).

2. The exact figures and statistics which represent Belgian's contribution to the agreement could only be given by the Belgian authorities themselves.

[*English*]

ESTABLISHMENT OF FEDERAL COMMISSIONS AND TASK FORCES 1950-70

Question No. 1,112—**Mr. Robinson:**

1. How many federal commission and/or task forces have been established in Canada during each year 1950 to 1970?

2. What was the responsibility of each?

3. What is the cost of each to date?

4. What is the additional anticipated cost of those in progress at the present time?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1, 2, 3 and 4. See answers to questions 2,685, tabled October 22, 1969, 397, tabled February 9, 1970 and 383, tabled March 11, 1970.

AGRICULTURE—RETIREMENT AND REHABILITATION PROGRAMS

Question No. 1,141—**Mr. Southam:**

1. In the government's program to assist those who wish to retire from the agricultural industry with dignity, what steps, if any, are being taken to meet this objective?

2. What particular department or agency is charged with this responsibility?

3. For those farmers wishing to rehabilitate or stay behind in the agricultural industry, what action is being taken to assist these people to develop the kind of farm units and managerial skills to earn a good life for themselves and their families?

4. What particular department or agency is charged with the responsibility to meet this objective?

5. When will this program, in each case, get under way?

Hon. H. A. Olson (Minister of Agriculture): 1. There is no program in effect at the present time with the objective as outlined. The Main Estimates for the fiscal year 1970-71, tabled on February 11, 1970, include, under the Department of Agriculture, an item of $10,000,000 for agricultural adjustment. Any programs that may be established under this Vote will be announced in the usual manner.

2. Answered by No. 1.

3. The government has a wide range of programs to assist farmers to develop economic units, such as the Farm Credit Act, the Agricultural and Rural Development Act, an agricultural research program, etc.

4. Answered by No. 1.

5. Answered by No. 1.

RECOGNITION OF TRADE UNIONS AS LEGAL ENTITIES

Question No. 1,144—**Mr. Robinson:**

Will the federal government consider, in the public interest, the advisability of amending the present legislation so that trade unions will be recognized as legal entities in the same manner as individuals and corporations?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

PROVISIONS FOR THE USE OF INJUNCTIONS IN LABOUR DISPUTES

Question No. 1,176—**Mr. Robinson:**

Is it the federal government's intention to continue the provision for the use of injunctions in labour disputes and, if not, for what reason?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

COMPULSORY COLLECTIVE BARGAINING SYSTEM

Question No. 1,190—**Mr. Robinson:**

Is it the federal government's intention to continue the role of (a) the strike (b) the lockout, in a compulsory collective bargaining system?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

P.E.I.—FEDERAL GOVERNMENT EXPENDITURES UNDER DEVELOPMENT PLAN 1970-71

Question No. 1,193—**Mr. MacLean:**

What is the estimated expenditures to be made by the federal government under the Development Plan for Prince Edward Island in the 1970-71 fiscal year?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Budgetary expenditures, $11,000,000; loans, $10,000,000.

HUMBER-ST. GEORGE'S-ST. BARBE CONSTITUENCY—PUBLIC WORKS PROJECTS

Question No. 1,214—**Mr. Marshall:**

What projects are planned by the Department of Public Works for the coming year in the constituency of Humber-St. George's-St. Barbe?

Hon. Arthur Laing (Minister of Public Works):

Location	Project
Butter Cove, Highlands	Minor dredging
Castor River	Wharf repairs
Corner Brook	Federal Building—Renewal windows and exterior doors
Corner Brook	Harbour improvements to complete
Crabbes River	Minor dredging
Curling	Wharf repairs
Eddies Cove East	Winch—Minor repairs

Questions

Location	Project
Eddies Cove West	Minor dredging
Eels Hole, Highlands	Minor dredging
Flowers Cove	Wharf repairs
Green Island	Breakwater approach repairs
Green Point	Minor dredging
Lark Harbour	Wharf repairs
McKays	Minor dredging
Plum Point	Wharf—Minor repairs
Port au Choix	Wharf reconstruction to complete
Port au Port	Improvements to Loading Ramp area
Port Saunders	Wharf—Minor repairs
Rocky Harbour Cove	Minor dredging
Rocky Harbour, Woody Cove	Minor dredging
St. Barbe	Wharf repairs
St. George's	Wharf repairs
St. Pauls, Hickeys Cove	Minor dredging
St. Pauls, Iron Cove	Minor dredging
Sallys Cove	Minor dredging
Seal Cove Brook, Heatherton	Minor dredging
Trout River	Breakwater repairs

DOG POUND, ALTA.—CLOSING OF POST OFFICE

Question No. 1,217—**Mr. Schumacher:**

1. In light of the answer to Question Number 752 Parts 6 and 7, printed in *Hansard*, January 28, 1970, on what date did the Post Office Department reach the decision to close the post office at Dog Pound, located in the constituency of Palliser, Alberta?

2. On what date did the Department notify persons to be affected by the impending closure of its decision?

3. Did the Department receive any representations opposing its decision to close the post office at Dog Pound Alberta and, if so (a) what was the nature of such representations (b) how many such representations were received?

4. Was any reconsideration given to the Department's decision in light of representations received and, if so, what was the nature of such reconsideration?

5. Are there any other post offices located in the constituency of Palliser, Alberta, under consideration for closure and not listed in the answer to Question Number 752 and, if so, where are they located and what is the proposed date of such impending closures?

Hon. Eric Kierans (Postmaster General and Minister of Communications): 1. December 8, 1969.

2. January 19, 1970.

3. Yes. (a) Letters and a petition were received protesting the decision to close the Dog Pound post office. (b) 37 letters, 1 petition.

4. (a) Yes; (b) this case was re-examined at the Headquarters level to ensure that a just decision had been made and there was no deviation from our established policy.

5. No.

BOYCOTTING AND SECONDARY PICKETING IN STRIKES

Question No. 1,234—**Mr. Robinson:**

Is it the federal government's intention to allow boycotting and secondary picketing, as well as picketing, as methods of exercising pressure during a strike and, if so, for what reason and under what circumstances?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

INFORMATION ON TENDERS

Question No. 1,266—**Mr. Cyr:**

When a department issues a call for tenders with respect to a service to the public, a leasing arrangement or a construction project (a) must the names of the bidders and the amount of each bid be kept secret (b) may bidders attend the opening of tenders and learn the amount of each?

Hon. C. M. Drury (President of the Treasury Board): (a) No, except for those cases where a high national security classification

might prevail. (b) Yes, if it is a tender for a construction contract. Tenders for the supply of goods, services or leasing arrangements are not publicly opened, but interested parties may determine the results by applying to the responsible department.

Questions

CENTRAL NOVA CONSTITUENCY—PUBLIC WORKS PROJECTS

Question No. 1,283—**Mr. MacEwan:**

What projects are planned by the Department of Public Works for the fiscal year 1970-71 in the constituency of Central Nova?

Hon. Arthur Laing (Minister of Public Works):

Location	Project
Aspen	Post Office—Painting and grounds
Bickerton West	Post Office—Paving, general maintenance plus overhaul summer heating
Caribou	Maintenance
Caribou	Dredging, Departmental Plant
Drum Head	Breakwater repairs
Ecum Secum (Guys City)	Wharf repairs
Ecum Secum (Halifax City Bayport)	Wharf repairs
Ecum Secum (Halifax City West)	Breakwater repairs
Eureka	Post Office—General maintenance
Hopewell	Post Office—General maintenance
Merigomish	Post Office—General maintenance
Merigomish	Dredging, Departmental Plant
Moser's River	Federal Building—General maintenance, sewage plant
New Glasgow	Federal Building—General maintenance, replacing aluminum doors, heating maintenance
New Glasgow	Federal Building—Air treatment
Pictou	Federal Building—General maintenance, entrance windbreak
Pictou	Pier "C" Bulkhead
Port Bickerton East	Wharf repairs
Port Bickerton West	Wharf repairs
River John	Post Office—General maintenance
Seal Harbour	West Breakwater—Repairs
Scotsburn	Post Office—Repairs
Sheet Harbour	Federal Building—Well repairs, general maintenance
Sherbrooke	Federal Building—Alterations
Sherbrooke	Federal Building—General maintenance
Skinner's Cove	Dredging
Stellarton	Federal Building—New entrance doors, general maintenance, heating equipment
Stewiacke	Post Office—General maintenance, plus summer overhaul heating equipment
Thorburn	Post Office—Interior and exterior painting, general maintenance
Toney River	Dredging
Toney River	Wharf repairs
Trenton	Post Office—General maintenance, conversion to oil
Upper Musquodoboit	Post Office—Paving, general maintenance
Westville	Federal Building—Furnace repairs, general maintenance.

Questions

RIGHT TO CROSS PICKET LINES

Question No. 1,297—**Mr. Robinson:**

Is it the federal government's intention to allow unionists the right to cross picket lines other than those of the union to which they belong?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

LABOUR DISPUTES—MEDIATION REQUIREMENTS

Question No. 1,299—**Mr. Robinson:**

Will the federal government consider the advisability of giving the Minister of Labour the necessary power or discretion to satisfy the mediation requirements of a labour dispute where the parties with the aid of a conciliation officer fail to achieve settlement?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

EXPRESSION OF EMPLOYEES' WISHES BY SECRET BALLOT

Question No. 1,300—**Mr. Robinson:**

Will the federal government consider, in the public interest, the advisability of providing legislation whereby employees may have the opportunity to express their wishes freely in the democratic process of a secret ballot where all matters of policy, personnel, certification and strike votes are concerned and, if not, for what reason?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

GRAND FALLS-WHITE BAY-LABRADOR CONSTITUENCY—PUBLIC WORKS PROJECTS

Question No. 1,302—**Mr. Peddle:**

What projects, large or small, will be carried out by the Department of Public Works in the coming year in the constituency of Grand Falls-White Bay-Labrador?

Hon. Arthur Laing (Minister of Public Works):

Location	Project
Grand Falls	Federal Building, Alterations and additions to loading ramp
Harrys Harbour	Wharf repairs
Hopedale	Hoist
Kings Point	Wharf repairs
L'Anse Amour	Wharf repairs
L'Anse Amour	Slipway repairs
L'Anse au Clair	Slipway repairs
Main Brook	Wharf repairs
Nippers Harbour	Post Office—Exterior painting
Nippers Harbour	Breakwater repairs
Postville	Wharf repairs
Red Bay	Wharf repairs
Roddickton	Post Office—Exterior painting
St. Anthony Bight	Dredging (to complete)
Sops Arm	Wharf repairs
Woodstock	Wharf repairs

REMOVAL OF LABOUR DISPUTES FROM JURISDICTION OF COURTS

Question No. 1,324—**Mr. Robinson:**

Is it the intention of the federal government to remove labour disputes from the jurisdiction of the courts, a basic civil right and, if so, for what reason?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

QUALITY OF TELEGRAPH SERVICE

Question No. 1,344—**Mr. Macquarrie:**

1. Is the government currently making a study of the quality of telegraph service in Canada and, if so (a) what departments are conducting such study (b) what is the nature and purpose of such study?

2. Since the merger of CN-CP telecommunications (a) how many offices have been closed (b) how many employees have been released (c) how many complaints regarding service have been received?

3. In the Atlantic Provinces, how many telegraph offices remain open after 6 p.m.?

4. What are the hours of service in the telegraph offices at Charlottetown, Saint John and Moncton?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): 1. Yes. (a) The Department of Communications with the cooperation of the Department of Consumer and Corporate Affairs. (b) The study is intended to survey the public telegraph message service with regard to the impact of new technology and of competing public telecommunications systems. It will also be concerned with the needs and interests of users of the system and with the views and policies of the operating companies.

2. (a) 34 C.N. Offices and 43 C.P. Offices; (b) 38 employees released by C.N.R., 9 employees released by C.P.R. (c) 24 complaints.

3. Four offices remain open after 6:00 p.m.

4. Charlottetown: 8:00 a.m. to 6:00 p.m. daily except Sundays and holidays. Saint John: 8:00 a.m. to midnight Monday to Friday. 8:30 a.m. to 9:30 p.m. Saturdays and Sundays. Moncton: 24 hours daily.

COMPULSORY CONTRIBUTIONS BY EMPLOYEES TO POLITICAL PARTIES

Question No. 1,345—**Mr. Robinson:**

1. Will the federal government consider, in the public interest, that employees should not be obliged either directly or indirectly to contribute financially toward a political party and, if not, for what reason?

2 Will the federal government consider, in the public interest, that union checkoffs for political parties should be abolished, and, if not, for what reason?

Hon. Bryce Mackasey (Minister of Labour): The intentions of the Government with respect to the policy issues posed by these questions will be made known when a bill to revise the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

REGISTRATION OF DAIRY PRODUCERS

Question No. 1,372—**Mr. Lambert (Bellechasse):**

1. How many dairy producers were registered with the Canadian Dairy Commission for production years 1966-67, 1967-68, 1968-69 and 1969-70?

2. What reduction in the number of producers registered has there been during the 1969-70 production year?

Hon. H. A. Olson (Minister of Agriculture): 1. The number of producers registered with the Canadian Dairy Commission for subsidy since the Commission started operations on April 1, 1967, are as follows: 1967-68, 168,466; 1968-69, 109,799; 1969-70, 98,346.

2. The only reduction since April 1, 1969 in the number of producers registered for subsidy has been as a result of quota reallocations. Such reallocations, which would result in the cancellation of the quotas of the previous quota holder, total 5,441 to February 20. The number of quotas cancelled would be less than that since in some cases the reallocated quota was divided among two or more persons.

ROLE OF CONCILIATION OFFICERS IN LABOUR DISPUTES

Question No. 1,382—**Mr. Robinson:**

Will the federal government consider, in the public interest, the advisability of amending legislation so that conciliation officers could remain seized of a dispute with the express approval of one party to the dispute only and, if not, for what reason?

Hon. Bryce Mackasey (Minister of Labour): The intention of the Government with respect to the policy issue posed by this question will be made known when a bill to revise

the Industrial Relations and Disputes Investigation Act is introduced. An intention to introduce such a bill was announced in the Speech from the Throne.

OECD MEETING—WITHHOLDING FROM DISCUSSIONS OF "SENSITIVE" ITEMS

Question No. 1,383—**Mr. Howard (Okanagan Boundary):**

What are the so-called "sensitive" items that Canada is withholding from discussions at the May 21 meeting of OECD representatives?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Canadian provisional offer of tariff preferences for imports of manufactured and semi-manufactured goods from developing countries, along with the offers of other prospective donors, is still being discussed internationally both in the OECD and the UNCTAD. The latter organization is scheduled to begin its detailed examination of the various preference proposals of the developed countries at the end of this month.

While these discussions are in progress it is difficult to predict precisely what items will ultimately be excluded from the Canadian preference scheme. We have indicated, however, that we will not grant tariff preferences on product for which we have negotiated or are asking for a quantitive restraint on exports to Canada from any country. The exclusion of these products is of course consistent with the generally accepted view that the donor countries should not be expected to extend tariff preferences on products which are being imported into their markets in such increased quantities and under such conditions as to cause or threaten market disruption or serious injury to domestic producers.

QUEBEC PUBLICATIONS LIABLE TO SALES TAX

Question No. 1,400—**Mr. Fortin:**

What is the name and who is the editor of each Quebec publication, daily newspaper or weekly newspaper which is (a) liable for the 12 per cent tax (b) not liable for the 12 per cent sales tax?

Hon. Jean-Pierre Côté (Minister of National Revenue): All magazines and literary papers unbound regularly issued at stated intervals not less frequently than four times yearly, and all newspapers are exempt from the 12 per cent sales tax.

[Mr. Mackasey.]

Because of the exempt status of such publications, it has not been considered necessary to keep on file the names of the publications and their editors.

LAND DEVELOPMENT DIRECT GRANTS, MANITOBA INTERLAKE AREA

Question No. 1,418—**Mr. Simpson:**

1. What was the amount of direct grants to farmers as indicated at page 30 of the 1968-69 Annual Report of the Department of Regional Economic Expansion with respect to land development in the Interlake Area of Manitoba?

2. What was the total cost of implementing the land development program?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. $120,000.

2. $136,060.

QUESTIONS PASSED AS ORDERS FOR RETURNS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT STUDIES

Question No. 584—**Mr. Howard (Skeena):**

1. Since January 1, 1968 have studies (research or otherwise) been undertaken by the Department of Indian Affairs and Northern Development, and, if so, what are the names, addresses and occupations of each person working in a consultant capacity from outside the public service on each such study?

2. Which of the studies are completed, and of those not completed, when is the expected completion date?

Return tabled.

RESEARCH, CMHC

Question No. 626—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in Central Mortgage and Housing Corporation and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Return tabled.

AILMENTS CAUSED BY NOISE

Question No. 797—**Mr. Mather:**

1. Is consideration being given to stepping up efforts to combat ailments caused by excessive noise in industry and traffic?

2. What is being done at present in this field at the federal level?

Return tabled.

FEDERAL EXPENDITURES FOR HEALTH SCIENCES TEACHING FACILITIES

Question No. 1,132—**Mr. Orlikow:**

In each of the last ten years, what have been the federal expenditures on the planning, building and equipping of health sciences teaching facilities from each of the following (a) hospital construction grants (b) national health grants (c) general public health grants (d) National Research Council (e) Medical Research Council (f) Health Resources Fund (g) others?

Return tabled.

STORAGE OF DAIRY PRODUCTS

Question No. 1,237—**Mr. Korchinski:**

1. To whom has the Canadian Dairy Commission paid money in the past two years for shortage of agricultural products?

2. What amounts were paid in each case and in what provinces were the firms located?

3. Have any of the storage companies had the responsibility of promoting sales of the stored products?

4. Which companies are directly involved in the processing, storage and selling of agricultural products?

5. What is the cost of storage of each agricultural product, per month, in each location?

Return tabled.

Mr. Orlikow: Mr. Speaker, I wonder if I could ask when question No. 221 in my name, which was placed on the Order Paper on October 23, will be answered. It is neither a difficult nor lengthy question. It simply asks how many deputy ministers and assistant deputy ministers there were in the employ of the government at certain periods and what their salaries were. It is asked because some civil servants wonder whether deputy ministers and their assistants are showing as much restraint in salary demands as they are. They wish this question to be answered.

Mr. Macdonald (Rosedale): Mr. Speaker, I shall make inquiries and see whether this question can be answered on Wednesday next.

Mr. Diefenbaker: I do not like to rise again, Mr. Speaker, but I wish to refer to the fact that on February 18 the following starred question, No. 1,265, was asked:

How many letters, telegrams and/or other communications criticizing or condemning the white paper in whole or in part have been received by the Minister of Finance since the 1st of January, 1970?

This government has no trouble with big numbers when it comes to expenditures, and I see no reason why this further egregious example of contempt of Parliament should be tolerated. The government does not want to produce this information. If a starred question means anything, it means that an answer must be given within two or three days, which is the normal period. Under the circumstances, having brought this up before, I appeal to Your Honour as the custodian of the rights of Parliament to see that these rights are not contemptuously disregarded by the government of this country.

Mr. Macdonald (Rosedale): Mr. Speaker, I will bring to the attention of the Minister of Finance the right hon. member's kindly interest in his career.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INFLATION—UNEMPLOYMENT AS A CONTROL

Hon. George Hees (Prince Edward-Hastings): I have a question I wish to direct to the Prime Minister. Was the Minister of Finance expressing the view of the government when he said yesterday on a CBC public affairs program that unemployment higher than that of 1969 may be necessary if we are really going to beat inflation?

Right Hon. P. E. Trudeau (Prime Minister): He certainly was not expressing policy, Mr. Speaker. He may have been trying to read a crystal ball.

Mr. Hees: As I asked the Prime Minister if the minister was expressing the view of the government, I take it from the Prime Minister's answer that he was. I wish to ask a supplementary question. As unemployment has already reached 6.1 per cent of the work force, how much higher does the government intend to let unemployment rise before it takes steps to change this very serious trend?

Mr. Trudeau: Mr. Speaker, we hope it will not rise as high as when the hon. member was a minister.

Mr. Hees: Mr. Speaker, another supplementary question. So far I have just had the smart-alec answers which the Prime Minister specializes in and which show that he cares not one whit about unemployment.

Mr. Speaker: Order, please. If the hon. member has a supplementary, he should ask it.

Inquiries of the Ministry

Mr. Hees: I regret, Mr. Speaker, that the answer necessitated those few words of mine. Since the Prices and Incomes Commission has made it very clear in the past several months that it is completely unable to persuade the leaders of organized labour to give the co-operation which is so necessary to the success of the anti-inflation program, has the Prime Minister now decided to take the action which he suggested on January 23 he would consider taking, namely, holding a private meeting with the leaders of organized labour to try to persuade them of the necessity of making their contribution in this regard?

Mr. Trudeau: Let me reply first, Mr. Speaker, to the way in which the question was phrased. I do not agree that the Prices and Incomes Commission has not succeeded in persuading these people; the operation is not yet over. As to the second part of the question, I shall be having a meeting with the representatives of the main trade unions in Canada shortly—I believe it will be a week from today. They will be coming to Ottawa to present their views to the cabinet on this subject.

Mr. Hees: On a point of order, the Prime Minister knows that this meeting is one which is held in routine fashion every year, and that this subject will not be discussed.

Mr. Trudeau: On the contrary, we shall be discussing it.

Mr. Hees: It is a routine matter. You know and so does the Minister of Labour.

INFLATION—ACTION TO CONTROL COST OF LIVING INCREASES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I should like to direct a question to the Prime Minister regarding the figures just released concerning the cost of living index which, for the month of February this year, indicate that the cost of living has risen 5 per cent compared with February of last year. In view of the disastrous consequences this has for Canadians generally and for those in the low and fixed income groups particularly, will the Prime Minister tell us what action the government proposes to take to deal with this sharp increase in the cost of living, one which seems to indicate that a slowing down in the rate of these increases is not taking place as the Minister of Finance anticipated?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance dealt with this very question in his budget presentation. I understand that during the next several days we shall be discussing this particular matter, and I hope the opposition will show in what ways they think the situation can be improved.

Mr. Diefenbaker: You certainly need help.

An hon. Member: Wait until you see our amendment.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the government's policies of restraint have apparently not slowed down the rate of increase in the cost of living, does the government intend to introduce new and different measures or does it intend to continue using methods which so far have been demonstrably lacking in success?

Mr. Trudeau: That is a rhetorical question, Mr. Speaker. The subject was dealt with by the Minister of Finance in his budget speech only two days ago. The hon. Member should have been around.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I do not mind the Prime Minister trying to be smart provided he is accurate. I was here. I was in my place—

Mr. Trudeau: But perhaps not here in mind.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I see the Prime Minister tapping his head. Well, I am not where the Prime Minister is tapping. There is a vacancy there, but I do not intend to try to occupy it.

PENSIONS

OLD AGE SECURITY—INCREASE TO OFFSET RISE IN COST OF LIVING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Minister of National Health and Welfare. In view of the latest rise in the cost of living and its effect on old age pensioners, will the government reconsider its timing in connection with whatever it intends to do about the old age pension? I ask this question in the hope that something might be done at this session of parliament.

Hon. John C. Munro (Minister of National Health and Welfare): As I have indicated many times to the hon. member, the old age pension, along with all income maintenance programs, will be dealt with in the white paper embodying the government's position.

Mr. Knowles (Winnipeg North Centre): Bearing in mind previous answers to the effect that this white paper may not be brought down until toward the end of the present session, would the government reconsider the timing so that the white paper might be presented earlier and something might be done during this session to increase the amount of the old age pension?

Mr. Munro: It is our hope that the white paper will be brought down before the end of this session.

Mr. William Skoreyko (Edmonton East): A supplementary question to the Minister of National Health and Welfare. Since the Secretary of State has a surplus of some $35 million in his budget, can he persuade his colleague to give some of that money toward increasing old age pensions?

[*Translation*]

POST OFFICE

MONTREAL POSTAL DISPUTE

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Postmaster General and Minister of Communications.

Since the meeting held during the weekend concerning the postal dispute paralyzing the Montreal area, can the minister tell the House how the matter stands?

Hon. Eric Kierans (Postmaster General and Minister of Communications): Mr. Speaker, I will report to the members of the cabinet later today and I think that a statement will be made tomorrow.

[*English*]

AGRICULTURE

FEED GRAIN—CANADA GRAIN BILL—DECISION OF STANDING COMMITTEE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to address my question to the Minister of Agriculture. In view of the fact that the Canada Grain Act may suggest various areas where high protein grains may be grown and will also suggest other areas where feed grains may be grown, does the minister intend to proceed with the legislation prior to any decision that the agricultural committee may be asked to make on the entire feed grain question?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, it is difficult to say that. The bill was introduced in the House and given first reading today. I would hope that we would get on with the second reading and discussion in the standing committee very soon. I see no conflict in connection with these two matters being considered concurrently.

Mr. Korchinski: A supplementary question. In view of the fact that the minister is himself not clear as to what direction the bill will take, would he be prepared to recommend to the agricultural committee that a further study be made if the bill that he has introduced is found to conflict with the decision of the agricultural committee?

Mr. Olson: Mr. Speaker, I do not think I could predict that in advance. I would be very interested in the recommendations of the committee with respect to these matters.

INQUIRY AS TO REPORT OF TASK FORCE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary or related question for the Minister of Agriculture. In view of the urgent need for a co-ordinated agricultural policy, particularly in the areas of production and marketing, can the minister advise the House when the long overdue report of the agricultural task force will be released?

Mr. Olson: Yes, Mr. Speaker, as soon as it is printed. I have stated that to the House, I think, three times.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. In addition to the act regarding grain, has the government anything useful and constructive to offer as to how to sell grain?

Mr. Olson: Yes, Mr. Speaker.

LABOUR CONDITIONS

TORONTO—CLOSING OF DUNLOP PLANT—CO-OPERATION WITH PROVINCE IN FINDING ALTERNATIVE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Minister of Manpower and Immigration, but it might be addressed to the Minister of Labour or the Minister of Regional Economic Expansion. Has the Ontario government been in communication with the minister or any of his colleagues with a view to calling a meeting to explore the possibility of finding some alternative to the shutdown of the Dunlop plant which is threatening the jobs of some 600 people?

Inquiries of the Ministry

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I have, as the hon. member knows, had a meeting with the union officials at the Dunlop plant. The members of the union expressed considerable disquiet at the lack of information in regard to the economics behind the closing of the plant, and indicated that perhaps a working committee or task force might be set up to examine with them the justification for the plant closure. I have wired the minister of industry and the Minister of Labour in Toronto, bringing this point to their attention and suggesting that, if they wish to take action along these lines, from the federal point of view we would be happy to co-operate.

[*Later:*]

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a supplementary to the original question directed to the Minister of Manpower and Immigration with regard to the closing of the Dunlop plant. Can he assure the House, either through a statement on motions or by other means, with regard to the possible effects of the closing of the Dunlop plant, particularly as it affects the textile industry and Cosmo-Imperial Mills in Yarmouth, Nova Scotia?

Mr. MacEachen: Yes, Mr. Speaker.

MANPOWER

SUMMER EMPLOYMENT PROGRAM FOR STUDENTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the fact that thousands of students at the various universities of Canada are unable to find employment this spring, is he prepared to accept the suggestion that members of the manpower offices visit the universities to try to place these students in jobs for the summer?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Yes, Mr. Speaker, We follow every good suggestion and will consider what further we can do on university campuses where we do not have at the present full-time manpower counsellors.

[*Later:*]

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question about jobs for summer students. Will the minister take steps to ensure that his officials do not provide jobs for students, important as they are, that could otherwise go to unemployed workers with families during the summer months?

Mr. Speaker: Order, please. The hon. member is making a representation to the minister and he has to assume it will be taken into account.

[*Later:*]

OPERATION RETRIEVAL—DISCONTINUANCE OF VISITS BY OFFICIALS TO U.S. CAMPUSES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary and related question on this whole business of student employment. I should like to ask the Minister of Manpower and Immigration whether he and his departmental officials have given any consideration to changing the dates when officers of Operation Retrieval are visiting various United States campuses since their visits are often delayed beyond the point where their services can be made available to graduates of United States universities who are in fact Canadian citizens?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, we have discontinued our field visits to the United States universities.

POSITION OF FAIREY AVIATION EMPLOYEES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Would the Minister indicate whether or not he or his departmental officials have any information about the future of Fairey Aviation and its employees, particularly in light of the suggestion that there seems to be a lot of misinformation filtering back to the employees at Fairey about a takeover by Bell?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I should like to take that question as notice and try to give the most up-to-date information to my hon. friend tomorrow or later in the week.

AGRICULTURE

FARM IMPROVEMENT LOANS—INCREASED BANK INTEREST RATE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Minister of Agriculture whether he will take

action in connection with something that has become very general throughout the prairie provinces, namely, that when payment becomes due on loans under the Farm Improvement Loans Act the banks are now insisting, not on the 5 per cent rate provided under the loan but on 8½, 9½, and even higher interest rates. They are insisting that people who have borrowed money pay additional interest. This is unjust and unfair, and I ask the minister to get in touch with the banks in order to remove from the shoulders and backs of western farmers this additional interest because they are unable to pay instalments due because they are not able to sell their wheat.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I will undertake to discuss this further with the Minister of Finance who is responsible for the administration of the Farm Improvement Loans Act.

Mr. Diefenbaker: Would the Minister of Agriculture responsible for agriculture lend his own support to action of this kind?

Mr. Olson: Mr. Speaker, in my discussions with the Minister of Finance my interest as the Minister of Agriculture will be very apparent.

[*Translation*]

DAIRYING—DATE OF ANNOUNCEMENT OF NEW POLICY

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Agriculture.

Can he indicate today when exactly he will announce the dairy policy for the next production year?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, but it will be before the end of this month.

Mr. Speaker: The hon. member for Edmonton-Strathcona.

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to ask a supplementary question.

[*English*]

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member for Edmonton-Strathcona but I believe the hon. member for Lotbinière has a supplementary question.

[*Translation*]

Did the hon. member for Lotbinière wish to ask a supplementary question?

Mr. Fortin: Yes, Mr. Speaker.

Considering the increasing concern of dairy producers in Quebec and eastern Canada and the promise by the minister that he would announce this policy well ahead of the new dairy year, could he tell us when he will announce this policy before—

Mr. Speaker: It seems to me that the hon. member is merely repeating his first question.

[*English*]

NATURAL RESOURCES

UNITED STATES SPACE CAMERA SURVEY OF NORTH AMERICA—AVAILABILITY OF INFORMATION TO CANADA

Mr. Hu Harries (Edmonton-Strathcona): Mr. Speaker, I have a question for the right hon. Prime Minister. What steps has the Canadian government taken to participate in the program launched by the United States government through the National Aeronautics and Space Administration to survey by space camera the resources of North America and, more particularly, how is Canada to receive the important resource information about Canada that will inevitably flow from this survey?

Mr. Speaker: Order, please. The question posed by the hon. member is an interesting one. I am wondering whether it is not the type of question which could, with profit, be considered at the time of adjournment.

[*Later:*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Has Canada received any notification or information from the government of the United States or has Canada made any request for information concerning the intention of the United States government to launch satellites that will cover large portions of Canada and their own country and through the use of infra-red cameras and so forth will make an inventory of mineral deposits in each of our countries, and will we be involved in this scheme?

Mr. Speaker: I suggest to the hon. member that this is a question that normally would be placed on the Order Paper.

Mr. Benjamin: On a point of order, Mr. Speaker, a number of members of the House spent several days in the United States last week. The hon. member for Edmonton-

Strathcona was ruled out of order when he asked a question on this matter, and I thought that by wording the question differently and directing it to a different minister you would allow it.

Mr. Speaker: Order, please. The hon. member for Edmonton-Strathcona was not ruled out of order. I would suggest to the hon. member that this is the type of question that might be considered at the time of adjournment. In fact, both questions might be considered at that time.

POST OFFICE

MONTREAL POSTAL DISPUTE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Postmaster General who is so reticent today but so garrulous yesterday at his press conference. It has to do with the postal situation in Montreal which on March 5 he described as normal. Can the minister advise what steps, other than the embargo on parcel post into and out of Montreal and the threat of armed guards, he has in mind to solve this chaotic situation?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): Mr. Speaker, I am glad that the hon. member has given me the opportunity of rectifying a statement. The phrase "armed guards" is not in my vocabulary and never has been. In answer to a question to that effect I said in French:

[*Translation*]

The required security services must be provided.

[*English*]

I am told by my colleagues who were there that at the end of the press conference the question was shouted or was posed, when I was leaving, "Would you employ armed guards?" I did not hear that part of it and I simply said we will do whatever is necessary, which the government will do. I expect, as I said earlier to the hon. member for Lotbinière, to raise certain proposals before my colleagues later today.

Mr. Macquarrie: May I observe that perhaps making statements in the House is not such a dangerous idea after all. Could the minister advise whether he gave any consideration, instead of paying compensatory goodbye bonuses to the men, to trying to do something to guarantee them job security?

[Mr. Benjamin.]

Mr. Kierans: Yes, Mr. Speaker. Yesterday I made it quite clear that the earlier promise I had made that I would accept the responsibility for finding employment for all of those with more than five years service was still valid, even though it was a great deal more difficult because the unions had refused to co-operate, and that by various means I would still undertake to make that guarantee. However, it still does require the co-operation of the unions so that the various seniority lists of the department and of the unions themselves jibe.

Mr. Macquarrie: Mr. Speaker, I should like to ask the right hon. Prime Minister whether he now believes the situation is sufficiently serious in Montreal to ask the Minister of Labour to intervene?

HEALTH AND WELFARE

SIDE EFFECTS OF ORAL CONTRACEPTIVES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Can he say whether he has received yet the report from the seven top medical experts who recently spent a week under the auspices of the Food and Drug Directorate studying the side effects of oral contraceptives used in Canada?

Hon. John Munro (Minister of National Health and Welfare): Mr. Speaker, I have not received their formal report. I have been brought up to date on the nature of their discussions.

Mrs. MacInnis: May I ask the minister whether this report will be made available to the public and, if so, when?

Mr. Munro: Mr. Speaker, if that is a suggestion I will take it under consideration.

FISHERIES

CLOSURE OF ST. GEORGE'S BAY TO DRAGGERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Fisheries and Forestry. Will he advise whether the minister has received representations from the fishermen in the St. George's Bay area of Newfoundland asking for assistance to close the bay to some 64 draggers interfering with inshore fishing which will tend to destroy the lobster fishery there, and has any action been taken?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, to date the Minister of Fisheries has received no word from the chamber of commerce or the fishermen's organizations, but we understand from news reports that such representation is being presented. Our officials advise that the lobster grounds are almost entirely within the three-mile limit and most of the draggers that are in the area are in the eight to ten-mile limit. The department's large patrol vessel, *Cape Friel*, is maintaining a continuous patrol in this area and we are trying to watch the fishing as closely as we can. We will keep the hon. member and the people in that area informed.

REGIONAL DEVELOPMENT

REQUEST THAT STANDING COMMITTEE MEET

Mr. James A. McGrath (St. John's West): Mr. Speaker I have a question for the Government House Leader. He was good enough to offer very graciously to act as my advocate in trying to arrange a meeting of the Standing Committee on Regional Development so that we would have an opportunity to examine the estimates. My question to the Government House Leader is: Has he had any success in this advocacy? Since that time the Minister of Regional Economic Expansion has made a very important statement and I understand that the committee will not be meeting this week and it looks as though we will not have the opportunity to examine the minister's statement or the estimates before the Easter recess. I wonder whether the Government House Leader is as generous today as he was last Monday?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, my advocacy continues.

An hon. Member: But not your generosity.

Mr. McGrath: I have a supplementary question, Mr. Speaker. Will the minister arrange for the committee to meet before the Easter recess so that members of the House will have an opportunity to examine the important statement made in the House by the Minister of Regional Economic Expansion on March 11 and also other items of interest to be found under the departmental estimates?

Mr. Macdonald (Rosedale): Mr. Speaker, I would be reluctant to issue instructions to any committee but will be glad to bring to the attention of the chairman of the committee the hon. member's suggestion.

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. Will the minister set about the task of convening the Committee on Procedure and Organization and have referred to it the question of some means by which a committee can be called without awaiting the permission of the House Leader?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member seems to have misunderstood this as he has misunderstood other things. I do not arrange when committees meet.

Mr. McGrath: Mr. Speaker, according to the roster the Minister of Regional Economic Expansion is supposed to be in the House today. I should like to direct my supplementary question to the Prime Minister. Can he tell us whether the Minister of Regional Economic Expansion will be in the House tomorrow so that hon. members will have an opportunity to question him on the statement he made last Wednesday?

Right Hon. P. E. Trudeau (Prime Minister): I did not hear the question, Mr. Speaker. I am sure I can take it into consideration from the record.

Mr. McGrath: I would have no difficulty repeating the question. Will the Prime Minister assure the House that we will have an opportunity to question the Minister of Regional Economic Expansion tomorrow on the very important statement he made in the House on March 11? He is supposed to be here today under the Prime Minister's roster system. Perhaps the Prime Minister could take some disciplinary action against the minister.

YOUTH

CANADIAN WELFARE COUNCIL REPORT—STATEMENT BY MINISTER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the report on youth policy published by the Canadian Welfare Council, is it the intention of the minister to make a statement on motions regarding this matter before the Easter recess?

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker, but I think this is an appropriate subject matter to direct later to my colleague the Secretary of State.

Inquiries of the Ministry

Mr. Nystrom: Will the minister undertake to have this report referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Munro: Again, I think that youth policy in the form in which we are investigating the matter at the federal level falls within the responsibility of my colleague the Secretary of State. I would suggest the hon. member direct the question to him at a later time.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wonder whether there is a minister of the Crown in the House today to answer for the Secretary of State who is away on government business. There is supposed to be someone on duty in his place. If there is, would he take as notice the matter of a progress report to the House on the status of the report of the task force on the whole question of youth and its participation in the government process?

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, I shall be glad to ask the Secretary of State to report to the hon. member on his return.

POLLUTION

ANTI-POLLUTION DISPLAYS AT COMMUNITY FAIRS

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Is the minister planning an anti-pollution educational-type display for community fairs during this summer in view of the widespread interest in this matter?

Mr. Speaker: Order. It seems to me that this kind of question, which is general in nature, should be placed on the Order Paper. If there is urgency, the matter could be considered at the time of adjournment.

EXTERNAL AFFAIRS

STATE OF DEPARTMENTAL MORALE

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, this question is for the Prime Minister. Was the Secretary of State for External Affairs expressing the view of the government when he suggested in a television interview that the Prime Minister might be responsible in part for the low morale in his department?

Mr. Speaker: Order, please.

[Mr. Munro.]

[*Later:*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary for the Secretary of State for External Affairs. Would the minister tell us if he is developing any plans to reverse the serious morale problem he spoke of on television on Saturday as having a serious effect on the work of his department, according to the minister?

Hon. Mitchell Sharp (Secretary of State for External Affairs): One of the things I said was that I hoped all present in the House will not indulge in unfair criticism of diplomats.

Mr. Speaker: The right hon. member for Prince Albert.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a supplementary question arising out of the answer. I listened to the minister on Saturday with great interest as he got himself into difficulty. In view of his admission that the morale of his department has fallen, would he say what action is being taken in order to raise morale?

[*Translation*]

AGRICULTURE

ABOLITION OF SALES TAX ON MARGARINE

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I have a question for the Minister of Agriculture.

Does he intend to implement the recommendation made to the federal government by the Canadian Consumers Council to the effect that the 12-cent sales tax on margarine be abolished?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have had many representations regarding that.

FINANCE

DISCUSSION OF TAX PROPOSALS BY CABINET

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Prime Minister. In view of the important statement made yesterday by the hon. member for Trinity concerning the government's tax proposals, have these proposals yet been discussed in detail by the cabinet?

Mr. Speaker: Order, please.

MANPOWER

PROGRAM TO ASSIST FARMERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. On February 24 I asked the minister whether, in view of the fact that the Minister without Portfolio (Mr. Lang) has announced a two-year holiday without pay for farmers, his department has planned a crash program for these people who will necessarily come on the labour market or whether they are to get a sabbatical from his department also. At that time the minister replied that he would like to take the question as notice. Now that he has had three weeks, would he answer that question?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I thank my hon. friend for his patience. If he is referring to the acreage program announced by the Minister without Portfolio, no such crash program is being prepared by my department.

POST OFFICE

DISTRIBUTION TO EMPLOYEES OF LETTER CONCERNING WAGES AND WORKING CONDITIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this question is directed to the Postmaster General and Minister of Communications. Did the minister approve circulation of a letter which went out from his department to all postal employees concerning the offer made by the department in respect of the wages and working conditions which are being negotiated at the same time with the postal unions concerned?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): Yes. We believe the employees of the Post Office should be fully informed.

Mr. Orlikow: Mr. Speaker, I should like to ask the minister whether he has received complaints that such conduct on the part of the department is an unfair labour practice and one which can only prejudice the meaningful discussions going on between the department and the employees?

Mr. Kierans: Mr. Speaker, we see nothing unfair in providing the employees of the Post Office with full and fair information on the facts.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—TERMS OF NEW BRUNSWICK'S ENTRY INTO PLAN

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of some haziness concerning New Brunswick's entry into medicare, may I ask whether the minister will confirm that the federal government's contribution will be exactly 70 per cent and advise whether there will be any other special arrangements for that province?

Hon. John C. Munro (Minister of National Health and Welfare): Calculations have been going on for some time to determine the precise percentage. It is certainly well over 50 per cent but whether it is precisely 70 per cent I cannot advise the hon. member at this time. I might be able to do so later.

Mr. Bell: Does the minister know of any other special arrangements that were made with New Brunswick about medicare?

Mr. Munro: No. New Brunswick is treated no differently under the Medical Care Act than any other province.

POLLUTION

CHEDABUCTO BAY—PAYMENT OF COMPENSATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the Prime Minister. In light of the very extraordinary circumstances surrounding the events following the sinking of the *Arrow* in Chedabucto Bay, has the cabinet now decided on or given full consideration to the matter of compensation for those who have been affected?

Right Hon. P. E. Trudeau (Prime Minister): I am afraid I cannot add anything to what the Minister of Transport has been saying on this matter, Mr. Speaker.

PROHIBITION OF OIL DRILLING ON CONTINENTAL SHELF

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister. Has the government decided on a new policy regarding offshore drilling on Canada's continental shelf in light of the experience of the disastrous spill off the coast of Florida, and is

the government prepared to prohibit offshore drilling on Canada's continental shelf because of the very serious pollution threat?

Mr. Speaker: Order. It seems to me the hon. member is asking the government, the Prime Minister, or the responsible minister to make a general statement of policy. I do not think the question in those terms could be accepted.

Mr. Woolliams: Mr. Speaker, could I ask a supplementary question—

Mr. Speaker: Order, please. Perhaps the hon. member might ask a different question, a related question. The original question not having been accepted for procedural reasons, the hon. member could ask a different one.

SECOND VOYAGE OF "MANHATTAN"—CHANGE OF PLANS

Mr. Eldon M. Woolliams (Calgary North): My question is directed to the Prime Minister. In view of the oil slick around Alaska, has any thought been given to a change in the plans with reference to the *Manhattan* again going through the Northwest Passage, whether with or without the permission of the Canadian government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can report no new development on that subject.

Mr. Woolliams: Would the Prime Minister be prepared to discuss this with the American government, in view of the fact that they themselves consider the oil slick in the Alaska area to be a serious situation?

PHOSPHATE DETERGENTS—DISCONTINUANCE OF RADIO AND TELEVISION ADVERTISING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Secretary of State may I direct a question to the Minister without Portfolio from York-Scarborough. In view of the fact that most Canadians agree with the government that we should not continue to use detergents with high phosphate content, would the minister take up with the CBC and the CRTC the possibility of discontinuing radio and television commercials that urge Canadians to use these detergents?

Hon. Robert Stanbury (Minister without Portfolio): I shall be glad to bring this matter to the attention of both the CRTC and the CBC, Mr. Speaker.

[Mr. McGrath.]

CANADIAN BROADCASTING CORPORATION

INTERVIEWS BY REPORTER IN TRINIDAD

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct my question to the Acting Secretary of State with, I am sure, the approval of the Secretary of State for External Affairs. Would the acting minister ask CBC television whether its reporter now visiting in Trinidad could seek interviews with people other than terrorists, troublemakers and other forms of trash?

Some hon. Members: Hear, hear.

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, I will convey that message, and I am sure that in the tradition of journalistic objectivity the CBC will want to do that.

AUDITOR GENERAL

INQUIRY AS TO LEGISLATION TO IMPROVE EFFICIENCY AND INCREASE SALARIES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister arising out of discussions and questions directed to him last fall by the Leader of the Opposition and myself. Is it the intention of the government to introduce a measure to increase the capacity and efficiency of the Auditor General and his staff to deal with the many misdemeanours in government spending, and will a new statute bring his salary into line with that of deputy ministers in other departments?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, on the list of bills for the third part of this session there is a bill to amend the Financial Administration Act if, of course, the House can get on with that bill before the end of the session.

Mr. Baldwin: A supplementary question, Mr. Speaker. Is it not the intention of the government to introduce a special statute dealing with the office of the Auditor General, as was proposed and partially accepted by the government last fall?

Mr. Macdonald (Rosedale): Mr. Speaker, disclosure of the contents of any bill dealing with the Financial Administration Act, which of course sets up the office of the Auditor General, would have to wait until the bill is given first reading.

[*Translation*]

AUDITING OF CROWN CORPORATION BOOKS

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question for the President of the Privy Council.

Could he tell the House whether he intends to include in the legislative proposal a provision to the effect that the Auditor General would be empowered to audit the books of all Crown corporations?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, one must wait for the introduction of the legislative proposal to know what its provisions are going to be.

[*English*]

SPORTS

APPEARANCE OF HOCKEY CANADA REPRESENTATIVES BEFORE COMMITTEE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Since the minister is about to make a major policy statement on Canadian sport I would like to ask whether he has reached any decision regarding a request I made some months ago to have Hockey Canada representatives appear before the appropriate standing committee?

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker, we have not come to any decision with respect to that matter. It is hoped the sports policy will be made known to the House very soon.

Mr. Speaker: Orders of the day. The hon. member for Lisgar.

MANITOBA CENTENNIAL

ASSISTANCE FOR BASEBALL TOURNAMENTS

Mr. George Muir (Lisgar): Mr. Speaker, last Monday I asked the Minister of National Health and Welfare, who unfortunately was not in the chamber, whether he would continue the practice of paying the fares of the visiting teams to the final games of the Canadian amateur baseball championships. Would he give that his consideration?

Hon. John C. Munro (Minister of National Health and Welfare): If I am accurate I believe the answer is in the affirmative, Mr. Speaker.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Thursday, March 12, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that this House approves in general the budgetary policy of the government.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, having listened to the Minister of Finance (Mr. Benson) on Thursday evening, and having spent some 25 minutes in comment upon his budget I find, on reviewing the remarks I made at that time, they were more accurate than I could have dreamed. I wish, first, to briefly recapitulate my remarks on the nature of the budget.

First of all, I think we will agree that the intensity of inflation today is due in large measure to the failure of the federal government and the provinces to settle priorities for the main government spending programs, particularly in the fields of health, education and social welfare. Second, we would agree that the government's monetary and fiscal measures have not had any noticeable effect on inflation up to the present time. This is evidenced by the present level of interest rates and continually rising prices. Today, we have a clear indication of a further rise in prices, and the monetary and fiscal measures which were supposed to be so effective have failed to make any impression whatsoever on what we consider to be the main yardstick of inflation.

Mind you, Mr. Speaker, I think it is also agreed that the monetary and fiscal measures of the government are causing an economic slowdown, and this is evidenced by rising unemployment. So, we have this strange paradox that we are in a highly inflationary period, with interest rates at an all time high, and we are building up more and more unemployment.

The third point I made was with respect to control of government expenditures. In his budget speech, and again on television, the minister laboured to emphasize that he and his colleagues have got their expenditure programs under control. Frankly, that is more apparent than real. After all, Mr. Speaker, the estimates for 1969-70 showed an increase

in federal government expenditures of $1 billion—$1,000 million dollars—and the estimates tabled the other day for 1970-71, without taking into account any supplementary estimates which may be filed, already provide for a further increase of $900 million. If that is having our programs under control, then I wonder what it would be like if they were not under control? After all, the mammoth cut-backs announced by the Prime Minister (Mr. Trudeau) last summer for certain departments, and particularly the personnel of those departments, are frankly non-existent. When you increase spending programs by $800 million or $900 million in your main estimates, with anywhere up to a quarter million dollars coming in on your supplementary estimates, then there is no question but that the government has not got the spending programs under control.

I wonder whether we will get further indications from the President of the Treasury Board (Mr. Drury) or anybody else representing the government that certain open-ended programs such as medicare, post-secondary education, hospital insurance and the Canada Assistance Plan will be blamed. Those programs were blamed by the President of the Treasury Board the last time he made his confession that the government's figures were wildly in error.

The next item I referred to was the consumer credit controls which will have the most effect on the consumer durables, with the highest incidence in Ontario and Quebec. This is a strange method of fighting present day inflation, by reverting to the means used at the time of the Korean conflict in 1950-52 when inflation was of a different sort. We know that at that time there were too few goods and services chased by far too much money but today the dollars are not chasing too few goods because, in some lines, there are distressingly high inventories. I will admit there is a fair amount of money in certain sectors but in others, for instance in western agriculture and among the lower income groups there is not that much money. Yet what we are to be asked is to encourage more unemployment and have more economic slack because those results would flow from consumer credit controls.

Then, there is the failure to fight high unemployment in the textile industry by not implementing the recommendations of the Tariff Board which were in the minister's hands in ample time for decision and action in the budget.

[Mr. Lambert (Edmonton West).]

The next item is the failure to provide relief against inflation for persons on low income and for old age pensioners by granting them an increment to the general income supplement. This, in itself, need not make such heavy inroads on the revenue of the government because some form of tax credit could be granted, as spoken of by the Leader of the Opposition (Mr. Stanfield) for persons with low incomes, that is those with any other form of revenue than old age pension.

I did say that we agreed with the minister's proposal with regard to water and air pollution control but that is about the only part of the budget we approve.

On the basis of my remarks the other night, Mr. Speaker, I move:

That all the words after "House" be deleted and there be added the following:

Regrets that the budgetary proposals of the government fail to provide any tax relief for persons of low income, fail to recommend any increase in the guaranteed income supplement to the old age security pension, and those which impose consumer credit controls will not only fail to curb inflation but will contribute materially to increasing unemployment.

Mr. Woolliams: What do you think of that, Ben?

Mr. Lambert (Edmonton West): Mr. Speaker, I should like to return to the question of consumer credit controls. The minister has indicated that he wishes to consult with credit granting institutions of one kind or another and then bring in his regulations in six or eight weeks. This is an odd way of doing this because, in the interval, there could be such a splurge of buying in certain lines that an artificial shortage could be created and you would have a continuing pressure on the commodities in question. In other lines, there could be an exhaustion of the demand for many months to come because of a tendency to buy ahead of time. Therefore, you would have a complete and utter slack in those particular industries or areas which provided services.

We do not know what kind of controls we are going to get and depending on the nature of these controls there may be all sorts of evasions. In the weekend press we read suggestions for getting around some types of consumer credit control. When we look at the auto industry, which is a basic industry, we know it certainly will be the bellwether as to the level of prosperity in the country. At the weekend the president of Ford of Canada indicated that sales across Canada were down

20 to 25 per cent as a whole for that company, and I am sure that they are in the same position as all the other motor companies. We have seen that motor car sales have varied from a decrease of 16 per cent to perhaps a bit more than 30 per cent since January 1. Why would the minister want to impose consumer credit controls on that industry which is already suffering a one-third decrease in volume. This is quite incomprehensible. It is also incomprehensible that the down payment should be limited to 20 per cent and that the maximum repayment period should be 30 months.

In this morning's *Gazette* there is an item cited by John Meyer, which shows that in the Montreal area the average down payment for automobiles is 25 per cent, which is more than will be required under the controls. It also states that the maximum average repayment period is 29 months. This is less than is proposed by the government but still there is inflation, there is no doubt about that. It is incomprehensible that in an industry which is already suffering from a decline in sales, the minister would introduce consumer credit controls in order to control inflation. His terms of repayment and the amount of the down payment are actually lower than those prevailing in the industry. Does he think that under his proposals there is going to be any greater control? Hardly. In arriving at these figures of 20 per cent down with a maximum of 30 months repayment period, I should like to know if the government has tested the situation in the Toronto-Hamilton area, for instance, or Winnipeg, Calgary, Edmonton, Vancouver or Halifax to see if these figures are not actually less than the conditions prevailing in the market. If so, the whole exercise would be completely an exercise in futility with no results whatsoever and this is what I wanted to know.

• (3:10 p.m.)

Another point with regard to consumer credit controls is this: they strike at purchasers from all income levels. The automobile dealer or furniture store dealer selling consumer wares will not ask the potential purchaser, "Are you earning $6,000 or $9,000 a year, or $15,000?" I suppose the requirement for a down payment would then depend on what the customer is earning. Yet is it not true that an across the board requirement for a 20 per cent or more than 20 per cent down payment will affect the man earning $6,000 a year far more than the man earning $15,000 or $20,000? Therefore, who is hit again by this requirement? It is the man in the moderate and low income group who must carry the burden of the restriction. After all, the man earning over $12,000 a year, if you want to take that figure, has the necessary cash or credit reserves, and he can obtain the additional cash quite easily to cover the increased down payment requirement. But the poor fellow earning $5,000 or $6,000 a year cannot do that. He again will be the one who will say, "I shall have to put off buying that car until next year." On the other hand, the fellow with the greater income could not care less; he has to dig down a bit deeper. He has the cash and he makes the purchase. So, it is the poor little man with the lower income who again will feel the punch of this consumer credit restriction.

I was disappointed that the budget speech did not immediately refer to the report of the Standing Committee on Finance, Trade and Economic Affairs. The minister had high hopes with regard to the report. The committee had been charged by this House to inquire into the question of high interest rates and related problems of inflation. The report is tabled but no reference made to it at all. I think the minister should have referred to it in his speech, because it contains certain recommendations which are useful. I do not agree with all of them; after all it is a majority report and some recommendations I should hesitate to accept. For the edification of hon. members I think we ought to look at that report which contains some citations from various reports of the Economic Council of Canada. These reinforce the point I made the other night that inflation is not something that suddenly cropped up during the past year, although if you look at the frenzied actions of this government you might think it had suddenly discovered inflation under its pillow. After all, serious inflation has been with us now for the past five or six years. Has this government done anything about it? No. It is only in the last year or so that it seems to have paid more than lip service to fighting inflation. May I transgress on the patience of the House and read extensively from that report, because I hope that more attention than has been paid to it in the past will now be paid to it. I am reading from Minutes of Proceedings and Evidence No. 14 of the Standing Committee on Finance, Trade and Economic Affairs. At page 6 is found the following:

Your Committee has conducted its investigation of interest rates in the context of the economy

of 1969: an economy struggling with an inflation which has already produced dangerous social effects, distorted national goals and weakened Canada economically. Inflation distorts the normal working of the market place rendering the price mechanism defective; it is destroying the Canadian market for long term obligations preventing governments from raising social capital for housing and other objectives; if our inflation exceeds that of our most effective trading partners, bearing in mind that two dollars of every five dollars of goods which Canadians produce are sold abroad, it will cause our foreign markets to shrink and imports to have additional advantages on the domestic market, (deprive Canadian producers of the benefit of production on a large scale with the low costs that result) and will cause unemployment; worst of all, the impact of inflation on the real incomes of Canadians is discriminatory and works most unfairly against individuals who live on fixed incomes, generally the weakest members of our society.

This has been echoed and re-echoed so often that I think the minister ought to have made some reference to the report. I continue reading from it:

Today's inflation has tended to institutionalize itself as a persistent and would-be permanent guest in our system, through, among other factors, the wide-spread development of an inflationary psychology.

In reviewing the evidence of the Economic Council of Canada we note that the Chairman of the Council told the Committee on October 6, 1969:

And the report quotes what the chairman of the council told the committee as follows:

'You will recall that in 1966 we were approaching the crest of a construction boom...

Thus back in 1966 the long-term economic advisory body established by this government's predecessor was issuing warnings. The Economic Council also warned as follows:

—'the emergence of a number of general underlying factors which have created an environment less favourable to the maintenance of a good record of price and cost stability than was the case in the earlier years of the current economic expansion since 1960'.

The committee's report continued as follows:

The Council's *Fourth Annual Review* in 1967 was prepared at a time of some moderation of growth in the economy. But this Review emphasized that 'an early resumption of stronger general demand expansion from the present situation would clearly lead to an earlier reappearance of significant price and cost pressures that took place over the great expansion in 1961-66'. On the basis of its appraisal of the basic economic situation at that time, the Council went on to elaborate;

'We believe that underlying conditions are favourable to continuing strong demand growth and that following the recent shorter-term adjustments which have been evident in various parts of the economy, great care will be required to avoid the emergence of excessive general demand pressures.

[Mr. Lambert (Edmonton West).]

The committee noted, as did the Economic Council of Canada and other witnesses appearing before the committee, that there was a good deal of inflationary pressure in Canada as a result of conditions prevailing in the United States. The committee commented on this in its report. In its evidence of October 6, 1969, the Economic Council of Canada stated as follows:

The Council also notes that the overheating of the U.S. economy has contributed to a much more marked 'inflationary psychology' in both the United States and Canada. In the words of the *Sixth Annual Review*—'Expectations of continuing substantial price increases are currently being taken increasingly into account in the markets for some goods and services (for example, in such fields as construction and land purchases), as well as in the markets for labour and capital. In these circumstances, resistance to price and cost increases tends to be reduced.' This has complicated the difficulties of restoring reasonable price and cost stability in Canada.

It noted further that:

In approaching the policy setting appropriate to achieving good performance in the economy the Council has based its approach on an essential premise since the *First Annual Review*. This is the premise that it will be very difficult indeed to achieve high standards of performance in relation to our basic and social goals under conditions in which there is poor performance in the world economy—and in particular, in the U.S. economy. We have made it clear that the Canadian economy cannot be effectively insulated from major price movements abroad. The scope for unilateral action within Canada to contain inflation is limited.

• (3:20 p.m.)

Further evidence is attached to appendix A of the report. There are two tables attached to appendix A of which I have copies. I hope the House will give permission to including these in the record. They show a comparison between Canada and the United States in so far as the changes in the gross national product price index as well as central government interest rates, money market interest rates and consumer and price changes for about ten countries including Canada, the United States, the United Kingdom, the Netherlands, Sweden and others. They are very instructive tables.

I wish to quote from the appendix because the tables only become relevant if the reference to appendix A is made. This is an extract from the brief of the Economic Council of Canada presented to the committee on October 6, 1969. I am quoting far more than I had intended, Mr. Speaker, but it is necessary in order to transpose into this debate the conclusions and basic evidence of the Stand-

ing Committee on Finance, Trade and Economic Affairs. After all, this budget was produced as an anti-inflationary budget. It has done very little. Therefore, I want to relate the government's approach to the situation as seen by the committee, and the recommendations the committee made with regard to that particular situation.

Mr. Benson: Mr. Speaker, will the hon. member permit a question? I wonder if the hon. member would object to having the whole report of the committee attached as an appendix to today's *Hansard*? I would be very much in favour of this.

Mr. Lambert (Edmonton West): This is subject to the desire of the House, Mr. Speaker. I make certain reservations with regard to some of the proposals of the committee. If it will shorten the proceedings, perhaps the report of the Standing Committee on Finance, Trade and Economic Affairs could be made an appendix. However, the report is 27 pages in length. This is a great deal and I hesitate to agree with what the minister has suggested. I would prefer to make the citations.

Mr. Speaker: Order, please. Perhaps we should try to clarify this point immediately. My understanding is the minister has suggested a certain document be appended to today's *Hansard*. There is some difficulty in doing this. The alternative is that certain tables be printed as part of the hon. member's speech. That, of course, is breaking with practice and tradition. As hon. members know, the only way members can have statistics included in their speeches is by reading them so that they will appear on the record.

An hon. Member: Or by consent.

Mr. Speaker: It is a practice which has been extended to cabinet ministers as part of formal statements, but not to members in the course of a debate. However, if there is unanimous consent that the tables to which the hon. member refers be included as part of the hon. member's speech, of course this will be done.

Mr. Benson: Mr. Speaker, I would simply like to say that, rather than having the report quoted extensively, it would be simpler for the House to have the whole report of the committee attached to *Hansard*. If Your Honour wishes to revert to motions to make it perfectly legal, I would request that it be attached to *Hansard*.

Mr. Baldwin: I would like to vary that, Mr. Speaker, and suggest that we revert to the minister's speech and the minister can attach it. He put in everything but the kitchen sink and he can put that in, too.

Mr. Benson: Mr. Speaker, I would be glad to put the kitchen sink in as well. The hon. member was referring to the report so extensively that I was trying to do the opposition a favour by suggesting that the whole of the report be attached to *Hansard*.

Mr. Speaker: Order, please. The Chair should get a direction from the House on the point to which I have just alluded. Hon. members realize the main difficulty about including long tables as part of an hon. member's speech is that if this became the normal practice in our debates, there could no longer be an assurance that *Hansard* would be published from day to day and delivered to hon. members at the usual time. I believe this is one of the practical difficulties. If there is unanimous agreement, it will be understood that the table referred to by the hon. member will be printed in *Hansard* as part of the hon. member's speech.

Some hon. Members: Agreed.

Mr. Benson: Mr. Speaker, I was simply suggesting that the report be attached as an appendix to *Hansard* and the hon. member could quote from the report what he wished, provided the whole report was attached as an appendix to *Hansard*.

Mr. Speaker: There is not unanimity. The only alternative is for the hon. member for Edmonton West to read whatever he wants included in *Hansard*, even if it takes a little more time of the House.

Mr. Richard: I wish to point out, Mr. Speaker, that I am the only one in the first row on the government side to support the hon. member. I support him entirely.

Mr. Lambert (Edmonton West): The tables to which I refer are official tables. They are printed on one page with an additional dozen lines on the second page. It is no great exercise. I wish to quote from appendix A:

"With unemployment in the range of 4 to 5 per cent of the labour force through 1968 and early 1969, the Council argues that it is difficult to maintain that such inflation is merely a reflection of recent general excessive demand pressures—and that this situation is quite different from that of 1966 when a sudden surge of demand emerged and drove the unemployment rate rapidly down to less than 3½ per cent. In this context, the Council notes important differences between the experiences of Canada and the United States, in 1965-66, Canada has significantly more price increase than the United States, but

lower rates of unemployment and generally stronger demand pressures. In 1968-69, these positions are reversed: Canada has had slightly less general price increase than the United States, but considerably higher unemployment, and it is the United States which has recently had such stronger demand pressures. These facts are set out briefly in Table I.

I have copies of table I in both English and French, Mr. Speaker. Table I is approximately 12 lines. These tables are from the report of the Economic Council of Canada and therefore are as official as they could possibly be. They are not tables of my own conception. I, therefore, ask leave of the House that they be incorporated in my speech.

Mr. Speaker: My understanding is there is no agreement to allow the hon. member—

Mr. Benson: I stated the situation. I am quite willing to have the whole report attached as an appendix to *Hansard*. It would save the hon. member the time of reading the statistics.

Mr. Lambert (Edmonton West): Will it be attached or should I read it?

Mr. Speaker: I think the hon. member will now have to read it.

Mr. Lambert (Edmonton West): It reads:

TABLE I

Percentage change in gross national product price index 1965 to first half 1969.

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

Mr. Speaker: The hon. member for Waterloo rises on a point of order.

Mr. Saltsman: I want it clearly understood that the House unanimously agreed to permit the hon. member for Edmonton West to insert that table in the record as part of his speech. The only exception has been the Minister of Finance who has been insisting that the entire document be inserted.

Mr. Speaker: Order, please. We have already gone through the point. The hon. member for Edmonton West has the floor.

Mr. Lambert (Edmonton West): I continue:

Year	Canada	United States
1965	3.5	1.9
1966	4.6	2.7
1967	3.4	3.2
1968	4.0	4.0
1969 (First Half)	3.7*	4.5

*On the basis of the unrevised National Accounts; quarterly figures on the revised basis have not yet been published by the Dominion Bureau of Statistics.

[Mr. Lambert (Edmonton West).]

I continue reading from the brief of the Economic Council:

In terms of the GNP price index—the broadest index of price increases taking place in the whole economy—it might be noted that the highest rate of price increase in Canada occurred in 1966.

• (3:30 p.m.)

Mind you, Mr. Speaker, this is based on the first half of 1969. Now that the figures have been published we can see that the highest-ever increase took place in the latter half of 1969, showing an increase of between 4.5 and 4.75 points by the end of the year. We also know why the index rose so sharply in 1966. This was the year in which some of those rather fantastic wage settlements were agreed to in certain key sectors of the economy.

From the table it will be seen that the GNP price index increased 4.6 per cent in 1966. For the first half of 1969, as against the first half of 1968, the rate is 3.7. In the United States the highest rate of such increase occurred in 1969. In the United States there has been a steadier build-up toward higher rates of price increase.

Appendix B is a table entitled "International Interest Rates and Consumer Prices". It is one page in length and I would ask the leave of the House to include it at this point in the record. I can assure you, Mr. Speaker, that apart from a few more references to certain points which were raised in the committee's report I do not intend to read any more.

Mr. Speaker: Is this agreed?

Mr. Benson: No.

Mr. Speaker: The hon. member will have noticed that he does not have the leave of the House to proceed as he proposes and I suggest that again he would be required to read the table.

Mr. Benson: On a point of order, Mr. Speaker. I do not really want to stress the point—the only thing I was trying to say was that if the hon. member wishes to quote extensively from the report of a committee of this House, the government is willing, as I have indicated, to have the whole of the report attached as an appendix to *Hansard*. I still believe this is the reasonable way of doing it. However, if the hon. member wishes to take certain pages out and have them inserted in *Hansard* on his own responsibility, that is fine as far as the government is concerned.

Mr. Baldwin: On that point of order, Mr. Speaker, I draw it to your attention that the

minister made a speech a few days ago, selectively placing on the record items which happened to appeal to him and to the government but which did not show the true picture.

Mr. Benson: May I say in that regard—

Mr. Speaker: Order, please. I have to interrupt the hon. minister. I regret that the hon. member for Edmonton West (Mr. Lambert) should be placed in his present position but the Chair has no alternative but to repeat its suggestion as to the way in which this should be handled.

Mr. Lambert (Edmonton West): This is the first time I have found that it was necessary to secure unanimous consent before a document could be placed on the record. General consensus has always been sufficient. In any event, I will read it.

First of all, the table considers bonds and yields under the heading "Central government". Figures are given for 1963—no month is specified—and for May, 1969. Then, there is a column under the second heading, "Yields", showing the percentage change. This comparison is also made in respect of the money market over the same period. Interest rates and percentage changes are set out. The same procedure is followed under a third heading "Consumer Price". Here, the comparison is made between the period from 1963—no month given—to May, 1969, and the position at the second quarter of 1969.

With the greatest of respect, Mr. Speaker, I must say it has never been the practice of this House to require unanimous consent to inserting a document in these circumstances.

Mr. Speaker: I have thought about the matter. This is not the first time the question has been raised as to whether tables or figures can be put on the record. The rule has long been established—and I am assured of this by the advisers whom I have consulted in this regard—that this is a privilege which is reserved, perhaps, for ministers making statements, and that hon. members taking part in a debate cannot have tables of statistics or figures appended to *Hansard* or included in their speeches as read unless the House, being master of its own rules, agrees unanimously. This is the practice which has been followed, rightly or wrongly. As I said, I am sorry the hon. member is placed in this position, because we are losing time in this way. But I am afraid there is no alternative before the hon. member but to go through the ordeal of reading these figures and tables.

Mr. Benson: As I indicated earlier, Mr. Speaker, we on this side of the House would be prepared to give unanimous consent, with the caveat I mentioned earlier. I would much prefer to see the whole of the document printed. The hon. member does not appear to want this. Anyway, you have unanimous consent.

Mr. Lambert (Edmonton West): Very well. Just to clarify the source of this information, may I say that these figures come from the International Monetary Fund—the international financial statistics for August, 1969. Their paternity is impeccable.

Mr. Speaker: It is my understanding that the paternity of the figures having been established there is now agreement that they should be printed as part of the hon. member's speech.

[*Editor's Note: Table referred to follows.*]

[Mr. Speaker.]

APPENDIX B

Extract from the Brief of Dr. E. P. Neufeld, presented to the Committee September 30, 1969:

"TABLE 2

INTERNATIONAL INTEREST RATES AND CONSUMER PRICES

	Central Government			Money Market			Consumer Price	
	Bond Yields			Interest Rates			Percentage Change	
	1963	May 1969	Percentage Change	1963	May 1969	Percentage Change	From 1963 to May 1969	Year Ended 2nd Qtr. 1969
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United Kingdom	5.59	9.08	62	3.66	7.83	114	27	6
Netherlands	4.22	6.75	60	1.94	5.50	184	35	8
Sweden	4.45	6.82	53	N.A.	N.A.	N.A.	26	3
Canada	5.07	7.54	49	3.57	6.74	89	21	5
United States	4.00	5.85	46	3.16	6.08	92	19	5
Switzerland	3.25	4.58	41	1.75	4.25	143	22	3
France	4.97	6.53	31	3.98	8.96	125	23	6
Belgium	4.98	5.90	18	2.28	4.25	86	23	4
Germany[1]	6.00	6.50	8	2.97	1.63	—45	16	3
Unweighted Average	4.73	6.62	41	2.91	5.65	99	24	5

SOURCE: Rates as shown in International Monetary Fund, *International Financial Statistics*, August, 1969.
[1] Local government bond."

Mr. Lambert (Edmonton West): There are two other points I should like to make. In the report, there is the same note of caution sounded. I refer now to the testimony introduced by the Governor of the Bank of Canada I refer hon. members to page 10 of the report. There is also a section on incomes, productivity and prices on the same page which I would commend to hon. members. This is part of a recommendation, and I shall quote from it very briefly.

> We were particularly interested in the view that labour and management in certain key industries referred to by Galbraith as the "industrial heartland" agreed to wage settlements perhaps at times no greater than their own productivity increases but greater than the average productivity increase for the economy. Such a practice would have the effect of encouraging other less productive industries to follow the wage pattern of the pace-setting industries. When such wage settlements are accompanied by corresponding price increases there is an inflationary cost-push. We recommend that a study in depth be undertaken of the influence of wages and prices in key industries on the Canadian economy. Similarly, the importance of the service industries, employing about 50 per cent of the labour force, seems little understood as a factor in inflation. We think more research is needed.

In the light of this recommendation and many others along similar lines, I would have expected some indication from the government that it would direct the attention of the Economic Council to this question. How does one measure productivity in actual fact, particularly in the service industries? It is very simple to determine productivity levels in industries which produce goods, and to ascertain whether increased productivity is, or is not, the equivalent of wage increases. One can determine the effect of changes in levels of wages and productivity. We have had considerable experience in doing this. But with regard to the service industries we encounter obvious difficulties. For instance, my hon. friend from Calgary North might increase his fees as a lawyer, or my hon. friend from Orillia might increase his medical fees. But how can we tell whether there has been a corresponding increase in productivity? Of course, I am pulling the leg of my hon. friend from Calgary. But how can we tell whether an increase is justifiable?

For example, how can productivity in the field of education be measured? There have certainly been great increases in salaries in the educational field. Has there been a corresponding increase in productivity? It is an entirely unknown subject, but the impact of changes of this kind on the Canadian economy is immense. It is noteworthy that in the eyes of the Economic Council more than 50 per cent of those gainfully employed in Canada are engaged in the service industries. We are, therefore, talking about inflation at a time when we lack knowledge of the subject. I would have thought that the government could take this particular point and ask the Economic Council to direct its attention to it. Alternatively, the government itself could have taken steps through its own research facilities to see whether something could be done to determine what is true productivity in certain service industries.

• (3:40 p.m.)

There are many other recommendations to which I should have liked to refer, as I say, but I feel that I have transgressed on the patience of the House. Again, I refer to the motion that I have put, seconded by the hon. member for Malpeque, (Mr. MacLean), and I urge its acceptance by the House.

Mr. Max Saltsman (Waterloo): Mr. Speaker, the first impulse I had on reading the minister's budget was to shrug my shoulders. This is a characteristic stance of the government: rather than produce answers it would prefer to shrug its shoulders. The budget was so empty that it hardly seemed worth the effort to comment upon it. However, by saying nothing, this budget says a good deal, and a good deal that is unsatisfactory.

One wonders what to call a budget-maker who is not satisfied with creating half a million unemployed but indeed seeks to augment that figure, and to do so in the name of the nation. What kind of budget is it that has to increase unemployment in Canada to achieve the objectives of the minister's policies?

What does one call a government that produces such a budget? I think we would be justified in calling it callous, indifferent—

Mr. Orlikow: Heartless.

Mr. Saltsman: Yes, heartless. We would be justified in using many other names, but I think that the government ought to be called stupid. I say that because the budget tells a nation which has 20 per cent of its population living in absolute poverty, and many more at some undefined level of poverty, that the government has no intention of helping the poor, of helping the old age pensioners. The budget indicates that the government has no intention of living up to is advance billing that it would create a just society. The Prime Minister (Mr. Trudeau) is telling the country that the way to help the poor is to create

unemployment. I should like him to explain that philosophy to me. Better still, let the Minister of Finance (Mr. Benson) explain to me how we can fight poverty by throwing people out of work. It is a philosophy I just do not understand.

The housing crisis in Canada is worsening year by year. Housing starts this year are way down. Some houses are just being completed, but the projection is that housing starts this year will be down compared with last year, and the inevitable result will be that rents will rise to even higher levels than they are at the present time. In face of this situation, the budget, in effect, tells the nation: "Don't worry about housing. The government will make a little money available in the public sector, but there is nothing or very little for housing in general in Canada".

We are living in an environment that is being polluted. People who are examining the problem are warning us that our society, our civilization, our very lives are in danger if we do not do something to stop pollution. Yet this budget continues to grant 50 per cent write-offs to industry, for anti-pollution devices, perpetuating the practice of the past. This has been found an inadequate measure because it does not really deal with the problem or with the urgency of the situation. There is so little in this budget that the government had to grasp at these meagre, minor items in order to show that some matters at least have been given thought. But thinking is not enough; we have to do something about our problems. This budget gives no indication of any conception of the task ahead of us.

Our urban municipalities are in desperate need. As far as they are concerned, the budget says, in effect: "Tough luck; the government has other priorities". There is no recognition in the budget of those problems that face urban society, a society in which the majority of the people in Canada live. Are we going to wait until our cities are destroyed before the government takes action? Can we not learn anything from looking at the situation of cities in North America, where some are already virtually destroyed and the cost of recovery is almost beyond comprehension? Although time is on our side in Canada, it will not continue to be with budgets of this kind.

While the government takes pride—or so it says—in increasing its expenditure on regional development, it cuts its own throat and sabotages its own efforts by maintaining a high level of unemployment, creating particular problems in disadvantaged regions of Canada. The government might just as well throw money down the drain. We do not begrudge the money spent on regional development; in fact, we think more should be spent. But the only way to make this expenditure effective is to have full employment. If you allow the economy to drag its feet at a time when you are pouring money into regional development, at best all you are doing is preventing the situation from getting worse. Certainly, you are not improving it.

How does one justify bringing in this kind of budget? I can say with a great deal of sadness that I never thought I would see a government in Canada bring in a budget proposal which, in the words of the budget, offered an invitation to union busting in Canada. Never before have I seen a budget that used such language, language which indicates that Canada is going to have labour strikes. It is as though the government wanted strikes to take place, as though the government is telling employers in this country to encourage strikes. This is something which is particularly incomprehensible. One of the members of the press gallery asked me why I was of this view. He said he realized there were indications of this in the words used by the minister, but he asked me why I would say the minister was inviting people to start strikes. I replied that he had only to take a look at the minister's behaviour when he did not want a strike to take place. We have seen the Minister of Labour (Mr. Mackasey) rise in his place in this House when he was concerned about a strike that was in the offing, and at no time did he acknowledge the possibility that the situation could not be worked out without resort being had to that ultimate weapon, the strike. I suggest that if you want to solve labour troubles you would not use the kind of language used by the minister in his budget statement.

The budget also indicates the government is going to fight inflation by controlling consumer credit. Some people are saying that these controls will not work; others say that they will hurt the poor. Frankly, I do not think they will work, and I do not know why the minister made these proposals. The evidence is that if it looks as though they are going to work, then the merchants will find ways around them and make sure they do not work. If they work at all it will be the poor who will suffer, those who are least able to bear a cut in consumer credit. I am not going to spend very much time on this item, beyond

pointing out the foolishness of such a proposal. I suggest it has no real value apart from scaring everybody out of their wits that the minister is going to take some action.

• (3:50 p.m.)

If we look at this budget in an over-all way we should not be surprised if the poor, the disadvantaged and the idealists of our society are not grateful to our Minister of Finance (Mr. Benson). It is one thing to call for sacrifices in our society, even unemployment, if some case can be made for it, and if people understand that the sacrifices are leading to something worthwhile. This nation has never been remiss in carrying a burden if it was necessary in the interests of the nation. This unemployment is absolutely unnecessary. This is a worthless device and cannot possibly achieve the objective the Minister of Finance is trying to achieve through it. The Minister of Finance is asking us to suffer without cause, and no one is going to support that kind of situation.

Shortly before the budget address, an esteemed gentleman of the other place indicated that there was going to be an increase in supplementary pensioners to old age pensioners, and most of us thought this was the real news. We thought that this gentleman had got this information. This made a lot of sense, particularly since we had a greater budgetary surplus than the minister anticipated. We felt it would cost the government a relatively small part of that surplus to increase these pensions. It was a major disappointment to find that even this one thing which the government could have done for some of the people of this country was not being done. There was no question of the government not having the money, because the money was there. In view of the minister's straightforward determination to fight inflation, regardless of what it costs the people of this country and regardless of the possibility of success, no action was taken to increase old age pensions.

If there had not been enough surplus to take care of this increase in old age pensions, veterans pensions and housing in Canada we might understand, but there is a great deal in our economy that this government is throwing away. I presume if somebody went around burning money on our streets or actually throwing it away people would think he was mad and lock him up. When the minister does the same thing they do not lock him up because when he does it he is protected by his office. Why do I say this, Mr. Speaker? It is not easy to calculate the cost of unemployment. I do not think anyone has made any definitive study of what unemployment costs, but there are some indications of its dimensions. In the year 1967 a study was conducted by the economic council which indicated that the level of unemployment at that time, a little over 4 per cent or somewhat less than it is today, resulted in a 5 per cent loss in our gross national product and a loss of 10 per cent of anticipated government revenues.

What does 5 per cent of our gross national product mean to us today? The unemployment figure is higher and presumably the amount would be greater, but let us stay at the lower figure. We are talking about kicking away or burning up $4 billion in potential production in goods and services which this nation might produce under a better policy.

An hon. Member: Under a perfect policy, you mean.

Mr. Saltsman: Not just under a perfect policy; I am still considering 3 per cent unemployment, and I am prepared to accept that as a maximum. I am not talking about wiping out unemployment completely, although I think that could be done. I am not going to suggest that. I want to stay with the minimum average so no one can accuse me of exaggerating these figures. These are absolute minimum figures. We have lost $4 billion of our gross national product in goods and services that the people of this nation need desperately.

What does this 10 per cent loss of government revenues represent? We are talking about over $1 billion that we are throwing away. We have not got the money to fight pollution, to help the old age pensioner, to build houses and to help cities, but we can throw revenue away without any thought. The problem is not that there is a shortage of revenue, the problem is a result of the government being wasteful and stupid in its policies. If it pursues them, we will never have any resources with which to build a better society. It is incredulous that this should be done in this modern age. If the minister of any European country were to set out to create this level of unemployment he would be run out of town on a rail, smoking his pipe and all. It is just unbelievable that the government of Canada would do this to the people of the nation.

When people ask me why we have so much unemployment in this country, I say we have it because the government wants it. These

people do not really believe me when I say that we have unemployment because the government wants it and has decided to have it. They say, would my government do that to me and I have to say, yes. I suggest that the government has adopted this course, but I do not know whether one could really call it "his government" when it acts in this way. This government has created this problem intentionally and deliberately.

I do not want to suggest that the 1967 study by the Economic Council is the only one. There was a study done by David Slater under the title "Economic Policy and Economic Research in Canada since 1960" published in the *Queen's Quarterly* in the spring of 1967. It talked about the five year period in Canada between 1958 and 1962. It suggested that because of the high unemployment which resulted from government policies the nation lost $15 billion in production. So, in some ways, we are not dealing with a new phenomenon or new stupidity. We are dealing with an ongoing policy.

I, for one, cannot listen with any degree of civility to people on the other side of the House who tell me we cannot afford things. They always ask where we are going to get the money. That is always their cry. Where are we going to get the money for old age pensions and where is the money going to come from for housing? Those hon. members always use this as a quick taunt. It is obvious where the money is going to come from. Immediately following a cutback of waste, there would be money for these things.

An hon. Member: Is that the way the socialists do it in England?

Mr. Saltsman: I am getting a little tired of you people trying to answer these questions of ours in that way. You try to argue that it is better to create unemployment, and you try to argue away these figures regarding the amount of money we are losing. I do not care what name you call my policy, my suggestions or the suggestions of my party, you should—

Mr. Deputy Speaker: Order, please. Perhaps the hon. gentleman would like to direct his remarks to the Chair.

Mr. Saltsman: Yes. Through you, Mr. Speaker, I should like to suggest to the hon. member that he would be much better off if he were to listen to some of the arguments. He might then learn something instead of behaving like an automatic puppet with a sort of a built-in gramophone which says "socialist" every time he hears the truth.

• (4:00 p.m.)

When we are talking about the present level of unemployment, we are talking of something like 500,000 people unemployed. This does not tell the whole story, just as the figures I quoted do not indicate the full losses taking place in our society. When there are half a million people on the unemployment rolls, there are many people on short time who do not appear as unemployed. Many people who withdraw from the labour force do not appear as a statistic. Not only is there the matter of the cost of unemployment but also the extent of unemployment. These are some of the things about which we must be concerned. I talked briefly about the direct cost in lost production unemployment occasions. That is not the only cost, because when people are thrown out of work they cannot be allowed to starve. Unemployment costs go up and welfare costs go up. I know these costs are difficult to calculate but I appeal to the common sense of people who, without a calculation, can see the devastating effect unemployment has on society. The use of unemployment as a weapon for any reason is so outmoded and criminal that I am always shocked when this government resorts to it.

It is not the working man alone who suffers in these circumstances. He is not the only victim of this cure. Everybody suffers. The businessman suffers just as well as the working man. Let us make no bones about that. If the working man does not have an income he is not spending money and buying things. Many people are dependent on the ability of the working man to spend money. I once made a speech to a chamber of commerce in which I suggested to those gentlemen that in their own self-interest they should join the New Democratic Party. As one might well imagine, they were not all convinced by my argument. However, my point is that since the New Democratic Party advocates policies which are good for the ordinary people of this country it is also good for business.

An hon. Member: In your opinion.

Mr. Saltsman: In my opinion. That is why I am here. Everyone suffers. The government suffers because the revenue does not come in and people suffer because tax rates have to be higher. I have no objection to taxes that provide goods and services for people or taxes

that are necessary for transferring income from those who can afford it to those who need it.

I have no objection to this sort of thing, but I do object to seeing taxes levied in this country when the effect of them is being destroyed by the ineptitude of the government. Taxes which are higher than they need be can create unemployment which destroys much of the tax base and makes everyone pay far more than they need pay. As a result, we have a lower standard of living for everyone. This type of policy produces a lower standard of living for everyone and the country does not grow the way it should. There is great uneasiness among the people because they vaguely sense that the country is not meeting expectations. The members of the government cannot be completely mad. Presumably they have some kind of argument they can use in an attempt to justify what they are doing. There must be some kind of reasoning behind the incredible waste of people and resources. I do not like to think that the Minister of Finance likes to see people suffer. I think he is a pretty decent and human man, despite his other failings. So what is it that brings a government to create problems of this type? What would bring the government to say it has to cure inflation even if it means everybody's back must be broken in order to do it?

No one will argue that inflation is not a problem. It is a problem and one with which we must deal. But we argue that the whole problem should be placed in perspective. Let us take a view which makes some sense rather than the sort of myopic view that exists on the other side of the House. They seem to put on blinders so that they cannot see anything other than the writing inside the blinders which says "inflation, inflation". In my view, the real problem is not inflation, it is the government's refusal to adapt to inflation. This is the crux of the entire problem. Today people are more concerned about unemployment, about their future prospects, and about a recession into which they feel we are in danger of sliding, than they are about the rise in prices. A few months ago I would not have said that because an hysteria had been created in our country about inflation. One just could not talk about it. Everyone was concerned about prices. Now, they are beginning to see what happens when the government brings in the kind of Draconian measures it has. They say that inflation is not the only evil in the world. It is a problem but it is not the only problem.

It is pretty hard to convince the person who is being thrown out of work that this is good for his soul and is good for the economy. He does not understand that. It is small wonder he does not understand it, because it does not make any sense. I shall not quote all the references I have lest the minister suggest I include the entire book, the entire journal or whatever it might be.

An hon. Member: He has gone with the wind.

Mr. Saltsman: Yes. The minister has gone with the wind. Let us not be too hard on the minister because I notice he is coming back. He might learn something from this speech.

An hon. Member: You are an optimist.

Mr. Saltsman: I am always an optimist. We in this party are always optimists. We always hope that perhaps we can persuade others to see the light. Much of inflation is imported. We know that a good deal of the inflation we have arises from the fact that the United States economy has been suffering from a very high rate of inflation. Much of it arises from structural changes. One need only to look at the composition of the labour force to see what I mean by structural changes. Just as people moved from agriculture into goods producing industries, now people are moving from the goods producing industries into the service sector of our economy. Nearly 60 per cent of our labour force is in the services sector. Agricultural productivity increased enormously. The people improved their productivity at an enormous rate until it worked to their own disadvantage.

The same is true in respect of the goods producing sector involving people who manufacture cars, washing machines and so on. There has been an advance in those areas, but when we come to the service sector, where most of our people are, the productivity increase is not as great. Even if we were able to keep farm prices constant and were able to keep industrial prices in the goods producing sector constant, there would still be a push from the service sector as it tries to keep up with the rate increases in the goods producing sector.

• (4:10 p.m.)

This is not a short-term matter. I might point out that I will be introducing an amendment shortly that will deal with some of these questions. So, we are faced with a long-term structural change in our society which in

essence is inflationary because as the people in the service sector seek to keep up with the people in the goods producing sector the push increases. We will have to accept price increases in that sector if there is going to be any justice in the distribution of incomes in our society. We cannot talk that away, and it will be there for a long time to come.

Having said these things, Mr. Speaker, I wish to point out that we do have some measure of control, and we should of course use every measure that is open to us, provided it is effective. I am not saying that we should fatalistically accept inflation. I am simply saying that we should accept realistically that portion of inflation about which we cannot do anything, and then go to work on that element of inflation over which we do have some control.

If we are going to do that, we will have to go beyond the sort of vague, voluntary restraints of the Prices and Incomes Commission. Even the people who talk about voluntary restraints know they are not going to work. These people are groping, and I wish them luck. I hope that out of their gropings does come something, but let us not kid ourselves. Voluntary restraints at a time such as this, and with the kind of problems facing us—the long run inflationary factors facing us—are not the answer.

The minister goes on to suggest, and he also does this in newspaper articles, that we are in terrible danger of pricing ourselves out of world markets. This is one of the minister's holy cows. If he cannot scare the heck out of people by saying "inflation", in that special tone he uses, then he says we are pricing ourselves out of world markets. Those are magic words and they are supposed to get everybody off and running. They are supposed to make people say, "The minister knows what he is doing. We had better listen to him."

What evidence is there that we are pricing ourselves out of world markets? Copper? We have increased the price of copper over and over again, and we can sell all the copper we can produce at astronomically high prices. In fact, the price of copper is determined internationally, and we are having a heck of a time trying to get other countries to agree to hold down the price in Canada. Copper is not being priced out of international markets, and the price of copper bears very little relationship to the wages being paid to our copper miners. Nickel? I do not see any danger there of pricing ourselves out of international markets. Our problem is that we do not have enough nickel to export. Coal? Gas? Oil? The reason we are not selling oil in the United States is not because we priced ourselves out of that market. We are still producing oil at one-third less cost than the Americans. It is because they pushed us out of their market.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Because we are too competitive.

Mr. Saltsman: Because we are too competitive. So, where is this evidence that we are pricing ourselves out of world markets? Automobiles? We are not pricing ourselves out of the automobile markets.

Mr. Whicher: Shirts.

Mr. Saltsman: Oh, you found one. You found shirts. The hon. member for Bruce (Mr. Whicher) has found an item. He has found shirts. Are the wages in the shirt industry inflationary? Can you tell me wages in the shirt industry are so high that we are pricing ourselves out of the international markets?

Mr. Whicher: They are higher than in Japan.

Mr. Saltsman: So, do you want our wage rates to go down to the level of the Japanese? Do you want us to increase unemployment until that happens?

Mr. Deputy Speaker: I hesitate again to interrupt this interesting dialogue between the hon. member for Waterloo (Mr. Saltsman) and the hon. member for Bruce (Mr. Whicher), but I would appreciate it if the hon. member for Waterloo would direct his comments to the Chair.

Mr. Saltsman: Mr. Speaker, the hon. member for Bruce has a tendency to stir things up this way, and I welcome his interruptions because they show the vacuity of his thoughts. Now, if we look down the list of our industries we see that we are having some difficulty selling heavy machinery, not only internationally but on our own markets. It is not because this industry is not competitive. It is because the government has allowed foreign heavy machinery to enter our markets, machinery that is subsidized by foreign countries. This gives that machinery an unfair advantage. The situation has nothing to do with the productivity or wage levels of our industry, but it has a great deal to do with the policies of the government, which allow foreign subsidized machinery imports to

cut the throats of Canadian manufacturers. This is one of the things that should be examined.

Steel? Are we not competitive in steel? We are one of the most efficient steelmakers in the world. Canadian steelmakers are the best in the world, without exception, and the people who work in that industry can be justly proud of the contribution they are making to the national economy. Where is this pricing out? Sure, in shirts and underwear, but there is no way we can compete in those areas in normal circumstances. So, let us not throw in some of these little dodges that do not really deal with the main argument.

We have problems in productivity, but let us look at the real causes. They are not wage increases. They are U.S. branch plants that kill productivity in this country by the way they market goods, by the way they destroy efficiency, contrary to what is often said by the government about how effective American investment is in Canada. Very often this American investment is disruptive and destructive of any efficiency, with a few exceptions.

We have a fixed exchange rate that throttles our ability to pursue an independent policy. Even bankers now agree that our exchange rate should be a floating rate, and although I hesitate to put myself in a position of agreeing with bankers, this is one thing upon which we can both agree. I do not want to take up too much of the time of the House on things such as these, Mr. Speaker, and with the indulgence of the House I would now like to deal with other matters.

We in this party say that the first thing that has to be done in this country is to get rid of unemployment. Unemployment is unacceptable as a policy. We must then move in the direction of controlling inflation in a realistic way. We propose that we really start the war on poverty, and that we start doing something about pollution. We propose that we increase what we are doing for old age pensioners and veterans, and that we do this by tax cuts, by getting more money into the hands of the people who need it. I am not hung up on what kind of formula we use to do this, as long as we do it. If we pursue intelligent policies it is possible to have tax cuts for many Canadians today.

We need policies that will use our resources in a much better way. We should recognize that these things are not going to be done easily, that we are going to need a real incomes policy instead of this business of hoping that by creating unemployment you will indirectly affect some of the pressure points in our society. That is not good enough. It is too unfair. It is a form of cowardice, a refusal to face up to the issue.

If there are sectors that are exerting these pressures then we should deal with them directly—that is the only fair way—instead of applying the lash to everyone, those who need it and those who do not. I suggest nobody needs it. We have to have an incomes policy that will contain inflation. This will help get the economy of the country moving. We live in a country that is rich in resources, that has great potential. We can create a great society, not only for ourselves but for other people in the world. The waste and abuse of those resources is something that will be hard to justify, not only to our own people but to the many people throughout the world who need our help. Therefore, Mr. Speaker, I would like to move the following subamendment, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and, more specifically, this House regrets that the proposals do not exempt from income tax single persons earning less than $2,000 and married persons earning less than $4,000 per year."

• (4:20 p.m.)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, for days we had been waiting for the budget speech by the Minister of Finance (Mr. Benson), and we finally heard it last Thursday.

To my mind, the budget speech is a colossal joke, a hoax, as stated by financial analyst John Myers in today's Montreal *Gazette*.

Two items stand out in this budget: first, a threat of consumer credit restrictions and, second, a delay in implementing the recommendations of two Tariff Board reports, one on live turkeys, the other on polythene.

For two weeks, people in Quebec have been talking of Bourassa's pants. Starting today, I think we should talk of Benson's turkeys as the budget tabled last Thursday is a real turkey.

The Canadian people have been served cold turkey, because this budget does not propose any progressive action to help consumers and small wage-earners. No action is contemplated to bring down prices. Nothing has been provided to assist eastern farmers, to reduce

interest rates, to curb inflation, to cut down taxes, to alleviate the burden of big families by giving them allowances, to help the old who have to go through all kinds of hardships, in view of the small pensions they receive now, while consumer prices keep on going up. In addition, nothing has been announced with a view to reducing expenditures in the national defence field.

The budget includes no measure to finance public capital in Canada through advances by the Bank of Canada; no measure authorizing provinces to borrow at a nominal cost from the Bank of Canada in order to finance public capital; no measure to wrench Canadians free from the strangle-hold of high finance which now controls credit, usurpating powers of sovereign governments and imposing its will upon every one of the country's ministers of Finance; no measure to prevent continuing take-over of the Canadian economy by foreigners. The litany could go on for hours and hours, Mr. Speaker, without discovering anything constructive in the budget speech made last Thursday night by the Minister of Finance because it contains only pious wishes.

We have to tighten our belts, said he! We must reduce expenses and fight price increase and, in a national effort, reduce the price increase rate. It is a pious wish, but the Minister of Finance did not tell us how to reduce the price increase rate. Why do prices increase? It is because costs increase. To reduce prices, one must therefore reduce production costs. Well, what makes up the production costs? Firstly, the workers' wages. What steps has the Minister of Finance proposed to reduce them? The budget speech does not say anything about that.

Secondly, business profits also play a part in production costs and in prices. What action has the minister recommended in order to reduce corporate profits? None! What steps does he then intend to take so as to reduce the profits of companies which have already decreased last year? He did not say.

The cost of money is also a factor in price increases. The interest on bank loans, to which producers must resort at the various stages of production, is one of the main causes of the upsurge of prices and it is an important factor in connection with the cost of goods and services. What measures has the Minister of Finance announced in order to have the cost of bank loans curtailed? He did not say so. His budget speech did not contain anything.

The Minister of Finance said Thursday night, and I quote:

> There are some recent glimmerings of evidence that the rate of increase of prices is no longer rising.

Yet, the Dominion Bureau of Statistics announced Friday night that the cost of living index had gone up by 0.5 per cent during January. At that rate, the annual increase would be of 6 per cent, while last year was 4.6 per cent.

• (4:30 p.m.)

The least we can say, Mr. Speaker, is that the Minister of Finance failed again in his estimates. He is a very bad prophet. In his speech, he also said and I quote:

> Personal saving has declined during the year.

"Personal saving has declined". What does that mean? That the consumer, in order to buy goods and services needs more and more money due to rising costs. He is less and less able to put money aside. Now, it is with savings that houses are built, that common and preferred shares are bought to ensure business expansion. Thanks to personal saving new businesses are started and employment is created.

The Minister of Finance has pointed out that personal savings have decreased. It is therefore not good news!

The Minister of Finance has also stated and I quote:

> In our foreign transactions, we had in 1969 a rather substantial increase in the deficit on our transactions on goods and services... Wheat sales were substantially lower.

The Minister of Finances did not have to remind us of it because the government has just decided to pay subsidies totalling some $100 million to western wheat producers to let their lands lie fallow.

The provinces which are compelled to borrow on foreign markets in New York, London, Germany, Switzerland and elsewhere must have been surprised when the Minister of Finance stated and I quote:

> The Canada Pension fund has been a lifesaver in meeting the needs of provinces, municipalities, school boards and other public authorities during a difficult period.

Why then must provinces and municipalities get loans from foreign countries? Is it because money is scarce in Canada or that the conditions imposed by the Canada Pension fund and other lenders are harder to meet than those imposed by foreigners? This does not make sense. Everybody knows that

money and credit are available and that bank loans can be obtained. It is known that dollars, francs and pounds sterling in circulation are the fabrication of banks, which used pen and ink, and at a ridiculous cost of production, but whose price is fantastic: an annual interest of 10 per cent or more. But if the Canadian banker is as capable of creating credit as his German or Swiss counterpart, he is also capable of producing millions in bank credit from his ink bottle. Why must the federal government, the provinces and the municipalities ask foreign bankers to do something that could be done by Canadian bankers? Why do foreign bankers lend money to Canadian provinces and municipalities? They do because they are convinced that Canada, its provinces and its municipalities are able to refund their loans at maturity and to pay the interests when due, because they have real and considerable assets as well as immense and enviable natural resources.

They know that Canadian industry and Canadian workers can produce true wealth, the basis of any financial credit. However, if bankers in other parts of the world know that, Canadian bankers should know it as well. If foreign bankers are in a position to lend money to the Canadian people, because they have faith in their productive capacity, Canadian bankers, for their part, should have the same faith and provide the credits requested by them.

Here is another finding of the Minister of Finance, and I quote:

> Employment will continue to rise, but more slowly than in 1969, and I anticipate some increase in unemployment.

For most Canadians, as they rely solely on their work to earn an income allowing them to provide for their families, this is a very sad omen. Besides being a false prophet, the Minister of Finance is also a prophet of doom and gloom. He informs the Canadian people that unemployment will increase in 1970, and this, without any apparent worry, but rather serenely, almost triumphantly. He believes that unemployment will force workers to accept lower salaries and longer working hours.

This is simply being cynical at the expense of the vast majority of workers, in order to please the true power holders who control the economy and the politics of our country. There is the financiers' government hidden behind this visible government. It is high finance which obliges the Minister of Finance to lay off workers and which instructs the government to curtail consumer spending. It is high finance which instructs the government not to lower taxes and rates. Everything is conceived and controlled by high finance to which all governments bow.

Finally, the minister suggested to us that we were slowly drifting towards socialism, towards state capitalism, perhaps dictatorship. But, since the state is under the control of high finance, soon we will find ourselves under a financial dictatorship which will not be concealed any more as is the case now, but which will show truly what it is: the master of our lives and our destiny.

Last year, the government had legislation passed in order to lower the net income of insurance companies by imposing a higher tax on their profits. However, it is public knowledge that insurance companies are one of the most important reservoirs of capital where house builders get their money. Therefore, by a deliberate move, the government has shut off that supply of housing capital so necessary to Canada.

• (4:40 p.m.)

The housing demand is increasing all the time. More and more houses are needed. What does the government do? What does the Minister of Finance suggest to provide Canadians who want to build a house with the necessary capital? Loans granted by the state.

The state is substituting itself for private capital suppliers. From now on, it is the state that will lend capital to people wishing to build a house. Almost total government interference exists in the housing field, which is a private one, if there is still a private field left.

As the Prime Minister (Mr. Trudeau) so justly points out, the state has no business in the bedrooms of the nation. It should have no business either in the housing field. It interferes with it nowadays because it has forced private lenders to give up that field.

The government forced them to do so because it had a reason for doing so. Indeed, the idea is to make the state the most important owner in Canada. Canadians must now rely on the state to house themselves.

That, Mr. Speaker, is a socialist and marxist measure, that we reject. Canadians, most of whom are still in their right senses, reject it also.

As to the measures advocated by the Minister of Finance, in order to restrict consumer credit, they tend to regulate conditions of credit granted to consumers by various lending institutions. The minister concluded his

account on that question with the following word, and I quote:

I would expect the government to be in a position to introduce the legislation in about six or eight weeks.

The Minister of Finance having admitted this, the financial reporter in the Montreal *Gazette* said that statement was nothing but a monumental bluff. Indeed, one could read this in the March 16, 1970 issue, and I quote:

[*English*]

Credit controls: bluff now but action if really needed.

Mr. Benson could still take direct action if he felt his bluff wasn't succeeding. There is nothing to prevent him from bringing in a draft legislation, effective of that date, with the details to be settled later. If he does, though, he'll have to make the controls more restrictive than so far indicated if they're to have the effect he wants. As matters now stand, the controls aren't as restrictive, in some instances, as existing practice.

It's one thing to risk a strike when inventories are high and goods still being moved. Quite another with inventories down to manageable levels and the steam taken out of what consumer demand there may be. With inflation being sustained by the push of rising costs, rather than the pull of rising demand, the object of the exercise has to be to contain the largest single contributor to the former, excessive wage increases.

Not every one is prepared to give Mr. Benson the credit for what could be a monumental bluff. It's thought to be too subtle in concept for the man who produced—the White Paper with its uncompromising blacks and whites.

[*Translation*]

Now, Mr. Speaker, what should be done? What steps should the government take to deal with the deplorable economic and social situation in which we now live? Calling elections, replacing the federal government by a Progressive Conservative government, would make no difference. The Progressive Conservatives admit themselves that they have no solution. Besides, they have proved their incapacity to face the problems of inflation or increased prices. They have nothing new to propose.

Here, Mr. Speaker, is what the spokesman of the official opposition said in the House Thursday night, as reported at pages 4750 and 4751 of *Hansard* for March 12. The hon. member for Edmonton West (Mr. Lambert) said this, and I quote:

The monetary and fiscal measures used so far by the government have brought us to the present point, growing unemployment but no real effect on prices and interest rates. As a matter of fact, it is rather ironic—

And one member intervened, saying:

What would you do?

[Mr. Rondeau.]

And the hon. member for Edmonton West replied:

What would you do? It is the government that has caused this.

That was the reply of the spokesman for the official opposition. It is someone else's fault. They have no solution, no remedy to suggest, save to pay: Be patient, tighten your belts, put up with your fate since you have elected the Liberals. Elect us, as soon as possible, but we still do not have any new solution.

Before bringing my remarks to a close, Mr. Speaker, let me put forward Créditiste solutions. First of all, we suggest that the control and the issue of credit in Canada be removed from private banks which now have the power to finance the wealth of Canada, to create money and lend it to the government, instead of earning it.

First of all, the federal government should, through the Bank of Canada, control the money circulating in the country and do so by depriving the banks of a power which is not theirs but that of the people of Canada and of the government which is in turn responsible to the people.

We would like the Bank of Canada, a monetary body, to enable finance to reflect the Canadian reality and the Canadian wealth. The Bank of Canada ought to finance capital and public works at the administrative rate of $\frac{1}{4}$ or $\frac{1}{2}$ per cent.

The Bank of Canada should enable the provinces to finance bridges, highways, aqueducts, sidewalks, sewers, schools, gymnasiums, and so on. But no, our federal government is tied down to the task of serving the interests of big business thus compelling our public institutions, such as provincial governments, municipalities and schoolboards, to grovel before the big business tycoons and to pay interest rates up to 12, 14 and 15 per cent as such is now the case. Canadian citizens are now, by way of taxation, paying three times the price of every bridge, road, school, gymnasium, sidewalk, aqueduct, or sewer network which is built in the country.

It is high time, Mr. Speaker, to stop laughing at the Ralliement créditiste, for it is the only group in the House that has ever had the guts to put their fingers on the sore spot of finance. Why is it so? Because they do not owe their seats to election funds and to the finance companies that pay into them.

• (4:50 p.m.)

If the Bank of Canada were allowed to supply public capital at a nominal rate of interest, prosperity would come to Canada. Banks should be permitted to borrow from the Bank of Canada so that they can in turn advance money to producers, as savings are at a low ebb just now due to the immense popularity of federal and provincial government bonds as well as school board and municipal bonds.

For instance, when private enterprise requires capital to expand and to increase production at a more reasonable cost, it has to borrow on the financial market. Why? Because the federal government does not authorize the public sector to put savings at the disposal of the private sector.

We know that some municipalities and school boards of the province of Quebec have now to borrow at a rate of 14 per cent. Provincial governments should unite and ask the federal government to change its financial system, because it no longer meets the provinces' needs. It is no longer in step with production which is not lacking for the time being.

In Canada, in 1969, production amounted to $79 billion, whereas an amount of $50 billion was paid out in wages and dividends of all kinds. How is it possible, with a purchasing power worth $50 billion, to use up production worth $79 billion? It is like trying to square the circle.

The Canadian people is left with the alternative of borrowing on their future, of mortgaging their future earnings and wages.

In 1960, our gross national product stood at $30 billion and in 1969 at $78 billion, which means that it has more than doubled during that period.

On the other hand, the national debt which amounted in 1960 to $20 billion increased at the end of 1969 to $39.9 billion. Production has doubled in 10 years, but so did the national debt.

The more the Canadians work, the more they develop the country and the more they go into debt. More and more, we are mortgaging our future, the future earnings, in order to live today, because according to the present system, the Canadian people are told: Buy today yesterday's production with tomorrow's money. Why? Because the purchasing power, the economic system, the financial power do not correspond to the production power. The Créditistes want to make the purchasing power equal to the production power.

[*English*]

Mr. Warren Allmand (Notre-Dame-de-Grâce): In connection with this budget there are certain aspects upon which I should like to congratulate the government, and others upon which I will reserve judgment.

I should like to congratulate the government on the fact this is the first time in 13 years, I believe, when there have been no tax increases. I should also like to congratulate the government on the fact that this is the first time since 1956 that the government has balanced its budget and shown a surplus. This indicates good economic management. Third, I should like to congratulate the government on its attempt to hold the line in government spending and achieve greater efficiency in the public service.

The chief critic for the Conservative party declared that government spending was out of control. This is not the case. The figures show that expenditure which is purely under the control of the federal government increased by only 3.8 per cent last year, less than the total increase in the gross national product. It is true that the cost of programs which are shared with the provinces increased at a faster rate but, as we know, the federal government does not have full control over those programs. However, attempts are now being made to negotiate a system by which expenditures of this type can be better controlled.

I should further like to congratulate the government upon the priorities established in its spending programs. Looking at the estimates we can see the directions in which the government places its highest values. Provision is made for an increase of $52 million in the estimates of the Department of Regional Economic Expansion; there is an increase of $34 million in the sum available for programs for Indians and Eskimos; an increase of $21 million in the estimates for programs affecting manpower retraining; an increase of $12 million in provision for industrial incentives and development; the shift of $200 million into public housing, and an increase of $15 million in programs for external aid.

Examining these estimates we see that the emphasis has been placed on programs to relieve poverty both at home and abroad. Finally, I believe the government should be congratulated upon the initiative it took in producing incentives for the control of both water and air pollution. I should like to refer at this point to an article written by Mr. I. H. Asper. I do not often refer to his comments on tax and budgetary matters because I do

not always agree with them, but what he had to say in his column on March 13 was significant. I say it was significant because most of the time Mr. Asper criticizes the government. I should like to quote from his column as it appeared in the Montreal *Star*.

> Budget night, 1970, produced no tax surprises but, in spite of that, the budget speech must be regarded as a most significant economic document. Its importance stems as much from what it implies as from what is says specifically.
>
> It is now more than six months since Prime Minister Trudeau warned the public that unless it voluntarily restrained its inflationary demands on the economy, the government would act. Anyone who failed to take that and his subsequent warnings seriously, will realize after last night's budget speech that the government means business.

Later, he writes:

> Mr. Benson has established several precedents with the third budget address he's delivered since assuming the finance portfolio. He becomes the first finance minister to have produced a balanced budget, indeed a large surplus, in thirteen years. As well, he now proposes to repeat that remarkable feat for 1970-71, indicating a budget surplus for next year in the order of $250 million.
>
> Still breaking records, he introduced the first budget since 1913 in which there were no tax rate adjustments. And of more current interest, he becomes the first minister to introduce consumer credit controls in peace time.

This comes from a man who usually criticizes the budgetary and tax policy of this government. On this occasion, he has a good word to say for the Minister of Finance (Mr. Benson).

I began by saying there were certain matters upon which I would reserve judgment. These have to do with inflation. I am not an economics expert. I suppose most of us in this House lack an expert knowledge in this field. We are guided by the initiatives which experts are suggesting around the world. In Canada, we find that the present government is taking many steps to control inflation. The Prices and Incomes Commission has been established. Initiative has been taken in the fields of fiscal policy, monetary policy and credit control. Despite this, we see that prices continue to increase.

The Minister of Finance and the Prime Minister (Mr. Trudeau) have stated that if these measures did not work, and if the private sector did not co-operate with the public sector, it might be necessary to use other means of controlling inflation. I reserve judgment on this question because I am not an expert. I hope these measures are successful. I know we are doing as well in Canada as others are doing outside our borders, because the rate of inflation in Canada last year was

slower than in many other countries in Europe, Latin America and elsewhere. The situation in the United States, for example, was worse.

• (5:00 p.m.)

The charge that the government has deliberately sought to create unemployment is ridiculous. No government wishes to cause unemployment. As a matter of fact, what this government is doing will prevent unemployment in the long run, that is to say it will lessen the possibility of unemployment on a far greater scale than exists at the present time. We find ourselves in an inflationary situation and limited in what we can do about it. Other countries of the world who are trying to tackle inflation are doing what we in Canada are doing. Some of the measures taken unfortunately cause temporary unemployment. But the choice, as the Minister of Finance and the Prime Minister have often said, is not between a cure for inflation now with no unemployment and long-term curtailment of inflation; the choice is between measures to control inflation with some unemployment now and massive unemployment in the future if these measures are not taken.

The critic from the New Democratic party stated that this approach was a false one, and he called the government stupid. As a matter of fact, he spent much of his time calling the Minister of Finance names. I fail to understand his approach. He almost seemed to suggest in his address that we can continue to increase the price of copper, wood products and many other things and not worry about world markets; that we have a monopoly of these resources and no matter what the price we will sell them abroad.

I would suggest that if we were to rely on this type of approach we would soon find ourselves in an extremely dangerous situation, with massive unemployment as a result of the loss of our markets abroad. In addition, we would be unable to compete against foreign products in Canada unless we raised high tariffs against them. Nobody wants to create unemployment. If we had been able to curtail inflation in past years, we would not have any unemployment. But the fact is that inflation is here and we have to take measures to combat it.

Unfortunately, a byproduct of such measures is a shifting that causes temporary unemployment. The government is taking measures to attempt to counteract this unemployment. The government is devoting greatly increased expenditure to regional economic

expansion, to manpower retraining, to industrial incentives and other things. Although the anti-inflation measures may have the effect of bringing about certain unemployment in some parts of Canada, the government is still spending a great deal of money in other areas of the country in order to retrain workers who can be redirected into other employment and thus enable us to expand the economy in parts of Canada where it is slow.

Although the representatives of the three opposition parties were very critical of the government in this area, they really did not put forward any solutions. It is the same old thing: it is very easy to knock down and to criticize, but we find no Solomons on the other side of the House who have the solutions.

Mr. Comeau: You weren't listening.

Mr. Allmand: Yes, I was, and I took some notes. As a matter of fact, I do not see too many people from the opposition parties in the House at this moment. The member who gave the speech and was so critical of the government left as soon as he had finished.

Mr. Lambert (Edmonton West): Mr. Speaker, on a point of privilege; the hon. member has no right to make that statement. I was called out for a telephone call and an interview, and when I left the House there were far more members on this side of the House than on the other side. Personal criticism will not get the hon. member anywhere, particularly when it is false.

Mr. Lundrigan: There are only 11 members on your side now; even the minister is not here.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Notre-Dame-de-Grâce has the floor.

Mr. Allmand: Mr. Speaker, I apologize to the hon. member for Edmonton West; I was not referring to him but to the critic from the New Democratic Party.

Mr. Lambert (Edmonton West): You mentioned me.

Mr. Allmand: I did not, but perhaps my hon. friend misunderstood. I referred to the member from the NDP who had criticized the government, and I said he was not here at the present time. In any event, I did not hear any solutions to these problems put forward from the opposite side of the House. These hon. members were very quick to criticize and to call the minister stupid and other names, but this type of remark will not be accepted by the Canadian people. The Canadian people have more sense than to do that.

The critic for the New Democratic Party suggested that the income tax exemption should be increased to $2,000 for a single person and to $4,000 for people who are married. He also suggested there should be tax cuts. At the same time, he suggested that old age pensions should be increased, as should other government programs. The Canadian people realize this cannot be done. They have a little more insight than the hon. member appreciates. They know you cannot reduce tax revenue, increase tax exemptions, have tax cuts and at the same time spend more money. You cannot, that is, unless you are prepared to continue to go further and further into the hole year by year, at the same time feeding the fires of inflation.

The same thing can be said about the amendment moved by the Conservative party. Their amendment criticized the fact there was no relief granted in the budget to people on lower incomes and those in receipt of old age security. On the other hand, their spokesman did not suggest any way to make up the money that would be lost by increasing these particular exemptions.

Mr. Comeau: Why not use the surplus?

Mr. Allmand: Well, I should like to hear some figures in this regard. It is easy to suggest increasing exemptions for those in receipt of old age security and on low incomes; but I did not hear the hon. member put forward any figures as to cost. Will the cost of these exemptions correspond with the surplus for which the government has budgeted? At the same time, can they be coordinated with other measures that are being put forward to fight inflation?

Since this is a debate on economic policy, I want to refer to economic conditions in the area of Montreal that I represent. There are many economic problems in Montreal and Quebec as a whole that are very distinct from other places in Canada. At the present time, investment in Montreal is down to a greater extent than it is in Ontario and in the west, and unemployment is higher.

Many opinions have been expressed as to the causes of this, and fairly general agreement has been reached on some of them. First of all, there is the present political instability, an instability that has existed for four or five

years now. Second, we have had a great deal of lawlessness and violence in Montreal during the last three or four years. Third, there has been a disproportionate amount of labour unrest.

The first two causes—political instability and the amount of violence in Montreal—might diminish to a great extent if we could settle some of the political problems that will be tackled in the approaching provincial election to be held on April 29. It is my hope that Quebec can elect a strong majority government which will give high priority to economic problems and will enable us to forget for a while some of the nationalistic issues which have been put forward as solutions for a long time now.

Mr. Nystrom: We can hope!

Mr. Allmand: The hon. member is from Saskatchewan and I do not know if he is aware of the political situation in Quebec, but for too long have some of the political parties in Quebec been putting forward nationalistic solutions to Quebec's economic problems. I think we in Quebec will have to take the bull by the horns and try to strengthen the economic base and put a high priority on employment, technological change, and so forth, so as to make Quebec economically strong.

• (5:10 p.m.)

I also mentioned labour unrest, and Montreal seems to have been particularly plagued in this respect. We have had several strikes in essential services which have been extremely harmful to the public as a whole and also to the working class of Montreal. When policemen, firemen, hospital workers, teachers and postal workers go on strike, they not only risk the safety of the general public but also the safety of themselves and their families. They also harm the general image of their society and make it more difficult to attract investment and jobs.

Last year the Woods task force on labour relations tabled its report in the House of Commons. It was tabled approximately one year ago and it suggested several ways by which we might deal with harmful strikes and other shortcomings in collective bargaining procedures. Of particular importance in that report were the following measures. Dean Woods and his associates suggested measures to, first of all, protect the public against the abuses of unionism and, second, measures to protect the workers—the members of the union—against the executive or administration of unions and, third, measures to protect the unions themselves. I think all three areas are important if we are going to have a sound economy and a stable labour movement.

I should like to refer to some of the recommendations in that task force report because I thought it was an excellent report. To begin with, that report suggested that the Canadian Labour Relations Board be given greater discretion in determining the original bargaining unit, and changes in established bargaining units. It also suggested changes in union certification requirements and in successor rights provisions. If we had specific successor rights provisions in our law now, perhaps we would not be having some of the problems we do have in Montreal with the postal disputes. There, we have a classic case of problems which arise from succession rights of unions, where one bargaining unit is going to be replaced by five bargaining units, or five companies replacing one company.

Then, the task force had recommendations for the protection of the union members. It suggests union member protection from unreasonable initiation fees, dues and assessments; a "Bill of Rights" and independent judiciary for union members; regulation of conduct of ratification and strike votes; widened union accountability to employers, members and others, and regulation of union political expenditures.

Then there is a very good recommendation that there be a public interest disputes commission to assist in handling potential emergency disputes, and in particular to protect the interests of the public. Many people have felt that more should be done in this area. I do not know whether the public interest disputes commission would be the best way of protecting the public, but it is certain that in some labour disputes the public suffers more than either the employer or the employees and something should be done to protect them.

Another very good recommendation is that we have six months advance notice of industrial conversion causing permanent displacement. We have had several instances of that in Montreal. There was the Vickers case and there is a case now in Toronto—I forget the name of the company—where the workers in a tire factory are being laid off without sufficient notice.

Mr. Knowles (Winnipeg North Centre): Dunlop.

Mr. Allmand: Yes, the Dunlop case. There have been two or three of these cases, and this is another provision that could be brought into our labour relations law. I understand that the government is working on the recommendations of the Woods task force report and that a new Labour Relations Act is being prepared. I think this is good and proper, Mr. Speaker, but I hope the government will take up some of the points to which I have referred and that we will see the legislation in this House very soon.

When I ask for new and better labour legislation, I do not presume that legislation alone will solve all our labour problems. When men go on strike or when they resort to violence we should understand that there are probably causes behind this behaviour which are not easily seen. We cannot always presume this action is based on labour greed or a quest for power by labour unions. We cannot make that presumption, as some people in this country have. When men resort to violence or illegal strikes, it is because in many cases they are afraid they are going to lose the jobs they have had for a long time or that they have a basic feeling of insecurity. They have seen other men who have worked for five, ten, 15 or 20 years on the job and then put out of work with hardly any notice and no compensation.

When men with families are faced with situations like these, they sometimes do not act as reasonable men. Sometimes they wildcat and sometimes cause violence. It is for this reason that in amending our labour legislation we have to try to put forward solutions which will not only deal with the symptoms but also with the causes. Of course, in dealing with these causes some of the action by the government will have to be in the area of social policy. I will deal with that in a few minutes.

I think one of the other reasons, and I referred to those, that we are having some economic difficulty in Quebec is the result of some of the excessive nationalism. When the Prime Minister put forward his charter on human rights a few years ago and suggested that it be included in the constitution, I supported that proposal with great enthusiasm because I felt this sort of thing was necessary to Canada. We have seen during over 100 years that the provinces, municipalities, school boards and even the federal government cannot be relied on to protect civic rights or basic minority rights. I think it is essential that we have such a charter of human rights in our constitution, not just for sociological purposes or human rights purposes, but also for economic purposes, and that is why I mentioned it during the debate on the budget.

Some hon. members today, and in their speeches outside the House, have asked why the budget did not deal with welfare measures, and other social programs. The budget is not a Speech from the Throne and it is not supposed to be a comprehensive legislative measure. The budget is supposed to deal with certain economic conditions. It reports on last year's economic record and looks forward to next year's economic legislation. It is not supposed to be a comprehensive legislative program.

Mr. Comeau: Oh, that is what it is.

Mr. Allmand: That is what it is, and I am surprised that members in the opposition should think otherwise. If you look at the budgets for the years when the Conservative party was in government you will see that they thought it was the same thing. They never pretended that it was a comprehensive legislative program.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Allmand: Yes.

Mr. Knowles (Winnipeg North Centre): Will he be sending a copy of this speech to Senator Croll?

Mr. Allmand: The hon. member refers to Senator Croll. Senator Croll was probably speculating on the budget. I was speculating on the budget. We were all speculating on the budget.

An hon. Member: Does he not know that these things are not dealt with in the budget?

Mr. Allmand: Sometimes they are and sometimes they are not. Some members in the opposition are putting forward the idea that the budget should deal in a comprehensive way with social welfare programs. That is not so. The government has already announced that it will bring forward a white paper on social policy this year, and it will deal with social welfare measures in a comprehensive way. I think this is proper. We have had enough stop-gap programs and ad hoc welfare measures with hon. members using these welfare measures as political footballs. I think once and for all we should have a concentrated and co-ordinated welfare program. That is

what we expect in the white paper on social policy that will be brought forward during this session.

It is my hope that in bringing forward this white paper on social policy there will be increased pensions for the older people. I have said in this House many times that I felt the cost of living provisions should not be limited to 2 per cent but should follow the cost of living. Those of us who get increases in our wages and have some power over the economy in the sense we have unions or associations that can force our wages up, should be prepared to pay for old age pensioners and give them the full increase in the cost of living when there is one.

• (5:20 p.m.)

I also hope we will move from universal programs to selective programs. I know this is a controversial point but I feel if there is to be a greater impact on poverty, and a greater use of our money in social and welfare areas, we will have to give more to those who really need it and stop giving to people who do not need it. I do not believe this means it will be necessary to have a means test. I think we can do it in the same way we now administer the guaranteed income supplement, by a sort of negative tax system involving simply the filing of a return which can be based on one's reportable income.

Mr. Knowles (Winnipeg North Centre): It is the same thing under another name.

Mr. Allmand: No, it is not the same thing. Under the means test system an administrator would be sent to a person's house. He would evaluate everything the person owned; he would look at the bank book and would check on all the person's property. The means test took account of the full value of the property. Many means tests are still based on this, but the guaranteed income supplement is not administered in that way.

There is a choice to be made. If we are to continue with a universal welfare program we will not be able to help many people who require help and therefore may have to make a sacrifice in some areas in order to help these people. I recommend to the minister who is drafting the white paper that we move into a selective welfare program. I do not think this need involve a means test. I would hope that the white paper on social policy would deal with youth and some of the terrible problems which confront youth today. We have a pension and guaranteed income supplement provisions for our older people, but many of our young people today are dropping out of high school because some of the courses do not suit their needs. Some are even dropping out of college. They do not qualify for the manpower program and do not have families on which to rely or do not wish to rely on their families. There is no adequate program for these people. Some of them live under terrible conditions. I think that if we have a comprehensive policy in respect of family allowances and pensions, we must also have something for the people over 18 years of age who have not yet become established.

It is sad to see how some of these young drop-outs and other people who have not yet been able to find themselves are living in our large cities. Some of them live in hovels; some of them have taken to the use of drugs—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Yorkton-Melville (Mr. Nystrom)—External Affairs—Viet Nam war—sale of weapons to United States; the hon. member for Moose Jaw (Mr. Skoberg)—Agriculture—Investigation of removal of serial plates from imported tractors; the hon. member for Kootenay West (Mr. Harding)—Pollution—Availability to Committee of provincial briefs on control.

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. E. J. Benson (Minister of Finance) that this House approves in general the budgetary policy of the government, and the amendment thereto of Mr. Lambert (Edmonton West) and the amendment to the amendment of Mr. Saltsman.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ramble on for 15 or 20 minutes and hopefully in that 15 or 20 minutes place on the record two or three feelings I have as a young Canadian who is very concerned about the direction of our country and the future of the young people living in Canada as well as about present generations. I listened to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and found it difficult to realize he comes from one of the poor provinces of Canada. Perhaps in the last few months a great economic revolution has taken place in that province and things have really improved to the point where he can now stand in his place and feed us the kind of staid, old, political garbage we would expect from an older, staid, retired politician and not from a relatively young Canadian.

I believe that earlier the hon. member alluded to the fact there were not a great many members in the House. I wish to draw attention to a fact. The fact is that at the present moment I am taking part in a debate and will be speaking to a House in which there is only one minister present. None of the big guns are present. None of the people who have designed the present policies which are being imposed upon the Canadian nation are present. None of the people are present who should hear what members have to say, including the hon. member for Notre-Dame-de-Grâce. The Minister of Finance (Mr. Benson) is not here. I am sure he will not waste his time tomorrow reading my speech and yet he does not even come to hear me. The Minister of Labour (Mr. Mackasey) is not present. The second minister of the great Trudeau trio, the Minister of Regional Economic Expansion (Mr. Marchand) is not present and neither is his sidekick the Secretary of State (Mr. Pelletier). The Minister of Manpower and Immigration (Mr. MacEachen) is not present. I am trying to point out that these are the people who make the decisions and not one is in the House to hear hon. members present their observations.

Apparently I must have touched a very sore spot because some members who seldom rise from their places are a little roiled. Even the Minister of Veterans Affairs (Mr. Dubé) is a little annoyed that I made the observation I did. I should like to see the minister, as a good maritimer, stand in his place and take issue with the Benson budget.

The major reason I stand in my place today to speak on the budget is the fact that I think the whole effort of the government reflects a great deal of insensitivity to the average Canadian. I feel, for example, that the Minister of Finance, perhaps not on his own but through prodding by some of the heartless members of the government, is either deliberately directing Canada along a suicidal road to economic disaster or is not aware of the direction in which the country is being led because of a political game. I mention a political game because some people say the government is playing a game of calculated politicking in which they will put on the brakes after starving many Canadians economically for two years. For two years, they will starve the people economically as a deliberate political move and in the last year of their tenure they will give some form of benefit in order to ensure their re-election.

I feel very seriously we are headed in the direction of man-made depression. We have had a depression before. I shall allude to the two hon. members from Calgary because I understand they are very familiar with the depression years and could tell me in great detail why the depression took place. They know the economic and other circumstances over which we had no control. I am not sure that is the situation at the moment. I feel that if I could get the Minister of Finance to read my speech tomorrow he would agree with me that my province is paying a very much higher price for the anti-inflationary policies of the government than perhaps any other province in Canada. We are literally bleeding to death as a result of the policies of this present government.

• (5:30 p.m.)

At the moment, Mr. Speaker, I feel that we are getting government by illusion—and the Canadian people are becoming pretty disillusioned with this government by illusion. Let me point out to hon. members, those who want to listen, some of the kinds of images that are being created, some of the impressions and illusions being created in order to justify the policies of the government. For example, the Minister of Finance indicates that our major problem is inflation and that we have to continue to fight inflation using as our main tool the creation of unemployment. He says we must do this if we are not to have a recession. But I believe that somewhere in his budget speech he indicated that we have not affected the inflationary situation. We have not put the brakes on, and we have not slowed down the increase in the cost of

living. He did not have to tell us this because it has been proven by the facts.

Then in his speech he turned around and argued that if we had not done this we would have had more inflation, with a greater tendency toward a recession. So the minister admits that we have not licked inflation, but nevertheless he says we have to continue on the road he has mapped out, because if we do not, then no one can imagine the consequences. Members of the government are trying to create a scapegoat, a dragon that really does not exist. They are trying to convince the Canadian people that beating inflation has to be the major objective of the government.

Let me mention another illusion which is being created by the government. I only wish the Minister of Finance were in the chamber to answer my next observation. The government indicates that our policy has to be anti-inflationary. Why does it? What is the major reason for that? In a well calculated television program yesterday, the Minister of Finance said:

> —If you are really going to help the people on fixed incomes, the people who are not organized in labour, the ordinary people in the country, the way you have to help them is through controlling inflation.

In other words, he says that if you are really going to help the small, poor, seasonally employed, average Canadian, the fellow on a fixed or low income, you have to do this by fighting inflation. We have to put on the brakes and slow down things. But the minister did not tell the full story. He did not say that when you do that, what you are doing with the man on a small fixed income is putting him out of a job altogether. An hon. member opposite shakes his head. The hon. member is not listening, or he is not very smart, not very bright. I am sure the hon. member does not want to say he is not able to see what I am saying. He will not face the facts.

The government is saying to the nation, "We are setting up this kind of battle; we are getting our troops mobilized in order to help the little man." Mr. Speaker, the way they are helping the little man is putting him out of work. Right now he is paying too much for his whistle, paying too much for his goods. The Minister of Veterans Affairs is the only minister in the House at the moment. I would like him to repeat this question to the Minister of Finance: Isn't it better to pay a little higher price for your produce than to have no income at all? The alternative is not to give the average Canadian any income, but this is the choice the minister is making. Yet he still tries to tell the average Canadian, "This whole battle we are now waging is being fought on behalf of you, the average Canadian." This is so false as to be completely untrue. It is totally false.

I say to hon. members opposite, don't come down to my province and tell the 20 per cent of the people who are unemployed there that the Minister of Finance is breaking his heart trying to solve their problems. Don't tell the people of the Atlantic provinces, who are now suffering 12 per cent unemployment, that this is the reason for the great effort on the part of the Minister of Finance. And don't try to tell the 6 per cent of Canadians at large who are presently unemployed that this is the basic objective of the anti-inflationary policy. Let us just look at this again for a moment, Mr. Speaker. The people in Canada for whom the anti-inflationary policy is designed are being put out of work. That is the way they are being helped.

The people in the $10,000, $12,000, $15,000 and $20,000 a year bracket, the professional people, the trained people, the people in the highly industrialized areas of Canada, are not affected by this policy. The seasonally unemployed are affected by it, the untrained people, the average small farmer. As a matter of fact, the average small farmer will have lots of time next year to sit down, bite his finger nails and watch the Canadian-produced television programs provided by the Secretary of State.

We must think of these people. We have the fishermen to consider; we have the people who have been forced out of work by automation. Forced redundancy I call it. Just look at what the Department of Transport did in my own town of Gander. They laid off four people with 25 years' service each and told them to go to Manpower. They could just as well have told them to go to hell.

An hon. Member: Is there any difference?

Mr. Lundrigan: I cannot tell you the constituency of the hon. member who sits across the way. Lots of Grits sit around there on the backbenches coaching each other from their seats. I would be very interested to hear what they have to say in debate; and if they need somebody to give them a hand, I will write some of their speeches for them.

Now I am going to take issue with the third illusion, which really burns me as an eastern

Canadian. In that television program yesterday the Minister of Finance was asked what would be the effect of his anti-inflationary policy on the slow growth areas of the country. He said that we should not worry about this. I am paraphrasing his answer. He said that we have all the answers to that one because we have everything set up. He said:

> I certainly hope that the steps we are taking will mean that the unemployment won't be concentrated as it has been in the past in certain areas of Canada.

A little later on when asked a similar question, he said:

> We certainly are concerned. We've put into retraining programs, for example, tremendous amounts of money in order to help the people in the Maritimes—

All the way through his budget speech he referred to the great regional development program. Mr. Speaker, let me just set the record straight because the minister has deliberately misled central Canada. He has not misled us, because we are aware of the facts of the situation with our 20 per cent unemployment; but he has misled central Canada and western Canada into believing that the government right now has all kinds of money floating into the Maritime region. Hopefully, he means the Atlantic region including Newfoundland, the region suffering most because of the slowdown in the economy.

This kind of statement the minister is making is totally untrue. First of all, we had the establishment of the Department of Regional Economic Expansion. It took a year for the government to set it up, and now it has come forward with the industrial incentives act. That piece of legislation, since the department was created, has turned over $200,000 into my province, which is just about enough to build a good bin in which to store some of the surplus western wheat.

Now, the day before the minister introduced his budget, the Minister of Regional Economic Expansion announced, "We are going to put $200 million into the economy of Canada in slow growth areas." There will be $200 million to solve the regional disparity problems of Canada. That statement was made the day before the budget in order to justify the Minister of Finance getting up in this House and going to great lengths to try to convince Canadians they should not worry about the slow growth areas because the government has special programs for those areas. This is totally contrary to the facts.

• (5:40 p.m.)

Let me place on the record a couple of illustrations to point out to the House the reason why I say the minister is not stating the facts when he makes this kind of statement, when he is feeding the House this kind of political garbage in order to try to justify his own inadequacies and the inadequacies of this government. For example, the proposed fisheries budget has been cut by 15 per cent. This is the budget which affects eastern and western Canada to the greatest extent, the two extreme areas of the country. Last year approximately 50 per cent of the wardens of the rivers of the east coast of Canada were scheduled for lay-off, and they were the people who supervised the great salmon runs.

Again under fisheries, another illustration of the way the budget amd the fiscal and monetary policies are applying equally to all of Canada will be appreciated especially by the hon. member for South Shore (Mr. Crouse). It is the kind of thing I have seen so often since I came here. For the past 70 or 80 years $3,000 has been allocated to an annual fish fair at Lunenburg, Nova Scotia. This year the minister has tried to justify the elimination of this grant on the basis of the restrictions on our economy. We have had cut-backs to the point where pollution has been allowed to destroy resources in one part of Newfoundland on the basis that fiscal policies could not justify expenditures in this area. In the area of protection of our resources and the pillaging of our fisheries by foreign fleets, the minister says that we cannot get protection, we cannot get boats and planes because the money is not available.

I wish the Minister of Public Works (Mr. Laing) were here so that he could justify the way he is literally slaughtering the fishermen of all the provinces of Atlantic Canada. I could name, if I had the time, places like Musgrave Harbour, Fogo, Twillingate, Green Bay and Badgers Quay—all beautiful fishing areas—and a dozen places where they have great fishing resources and practically every individual depends on fish. Ever since the beginning of Confederation federal governments have been rather generous in the allocation of funds to provide fishing facilities. But this year the minister says, "You have the new fish marketing act now and the facilities are justified; but we are sorry, our budget will not permit it and we are not going to give you the facilities you need even though they are justified."

In my own town the Department of Transport laid off four people each with 25 years of service. These men had fought overseas with the armed forces and had then come back and joined the department. First they worked for the provincial government and then it merged with the federal government, fortunately or unfortunately, but after 20 years of work with the Department of Transport these men were laid off. They were told to go and see the Manpower office which might be able to find work for them up around the coast somewhere. Again, I have received a copy of some of the proposals made by the Minister of Transport (Mr. Jamieson) for putting the airport aspects of the department under a Crown corporation. One of the reasons he came through with this idea was to indicate that he feels that airports should pay as they go.

We have one of the greatest air terminals in Canada, the azimuthal centre of aviation in the western world, you might say. It is recognized internationally for its facilities and its location, and in some ways it is the aviation centre of the western world. Here we have landing fees four times as high as those in Bangor, Maine, and the minister threatens to increase them. I have written him in detail showing that if the government were less greedy about landing fees and more interested in promoting international aviation in Newfoundland, a lot of the economic ills in the whole east-central part of my riding could be solved. I guess I am just wasting words in mentioning this matter because there is not much interest in it.

I could mention parks, but the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) may want to develop the matter of lack of government initiative in this regard. I could mention the Post Office. We are losing 200 post offices, though we are saving a few because apparently it is cheaper to keep them open than to close them. The cutback in service is so bad now in my province, in the whole federal area, that we are wondering whether the terms of our agreement in 1949 really permitted the federal government to back out of its contract. I wonder if we have any contract, any constitutional arrangement with this government of Canada, or if it is acting unilaterally with little or no regard for parts of Canada such as my province.

Referring to the Manpower Department, somewhere in the budget speech the Minister of Finance said that a lot of money is being spent on retraining and a lot is going into the Manpower Department in order to help people overcome their inabilities or incapabilities as workers. In some Manpower offices in Atlantic Canada there is a restriction on the number of phone calls officers may make. If they have to phone a fellow who lives 30 miles out of town to tell him about a job, sometimes they have second thoughts about it because of their budget. Mr. Speaker, I have talked about several illusions and now I would like to refer to something else that is bothering me. In his presentation of the budget—if you want to call it that—at page 4741 of *Hansard* of March 12, the Minister said that the request to the chartered banks to have special regard for borrowers in the less prosperous areas of the country is another way in which the government is helping the disadvantaged areas of Canada. He said to Canadian people across the nation, to the people in the galleries and the press that we have special programs to set up to help people in the disadvantaged areas. What a lot of nonsense! I suppose if I were to say that the minister was lying through his teeth I would be ruled out of order.

Mr. Woolliams: I don't think so; not under these conditions.

Mr. Lundrigan: I suppose if I were to tell the truth and make that statement I would be ruled out of order, so I will refrain from making it. This Benson statement, is a nasty thing to present to the people of Canada. Last year, under the Small Business Loans Act we received three loans in the province of Newfoundland while 841 went to the other provinces. Yet the minister tells everybody that the government has special monetary policies to help ease the credit situation in Atlantic Canada. What a lot of nonsense, Mr. Speaker!

An hon. Member: How many applications were there?

Mr. Lundrigan: The hon. member asks how many applications there were. Well, two or three days ago a young Newfoundland promoter came to my office and indicated that he went to the bank to negotiate a loan but the bank refused him a loan under the Small Business Loans Act and offered him a demand loan, the sort which they can recall any time. Every single day members in this House get letters from fishermen who cannot get loans under the Fisheries Improvement Loans Act because the government has not issued any instructions to the chartered banks to ease credit.

• (5:50 p.m.)

The minister speaks about the special arrangements being made for the province of Newfoundland and the east coast of Canada, but actually the same policies apply right across the nation; they apply to every nook and cranny of Atlantic Canada to just the same extent as they apply to Ontario. The minister no doubt says to the people of Ontario, British Columbia and Alberta, "You will have to excuse us and accept our policies, because we are doing everything we can to meet the needs of the people on the east coast." What utter nonsense to tell our people that, when 20 per cent of our population down east is unemployed.

Let us consider for a moment the white paper on taxation. One of its major points relates to the rate at which corporate profits are to be taxed. As a result of that provision, protection enjoyed by small businesses and enterprises is to be lifted. Mr. Speaker, that will kill our businesses in Atlantic Canada. All our businesses are small. We do not have the large corporate clusters they have in Ontario or the industrial complexes of other parts of Canada. Our businesses are small, and they will be ruined. We have many mines in our area. The mining industry is one of our great resource industries. And what will the Minister of Finance do to the mining industry of Canada? He will abolish the so-called three-year tax holiday and mining entrepreneurs undertaking exploration will pay taxes in the same way all other industries pay them.

The mortality rate of investments in exploration ventures is tremendous. The minister will reduce the incentive to nil, because mining entrepreneurs will have little reason to undertake exploration. Let us look at the construction industry. We have a little construction industry in our area. The minister may say that only the industry in Ontario, Alberta and British Columbia is being hit with the two-year depreciation provision and that that provision does not apply to other provinces. That is true. However, the fact of the matter is that capital cost allowances restrictions apply to the same extent in my province as they do in Ontario. The provisions respecting capital gains will apply to our province just as to all other provinces. The provision regarding taxes on private homes is the same. Frankly, I think the Minister of Finance is talking a lot of political garbage because he is feeding the people of Canada with information which, I submit, is not factually accurate.

You know, Mr. Speaker, I have listened to the Minister of Finance telling the people of Canada everything the government is doing for the people in my province. The result is that those who were not quite poverty stricken are now completely poverty stricken. How can I explain to the people in the town where I grew up what the minister means? The town has 2,200 people and they are the most industrious in Canada. It used to be that when you could not get work in Newfoundland you went to Toronto. But the people no longer do that; there is no work in Toronto. Then the minister tells us what great policies this government has. If I had as much red blood in my veins as I should have, I would be across the House after him.

The Acting Speaker (Mr. Béchard): Order, please. I must interrupt the hon. gentleman to tell him his time has expired.

Mr. Lundrigan: Mr. Speaker, may I, with the consent of the House, continue for a moment?

The Acting Speaker (Mr. Béchard): Is this agreed?

Some hon. Members: Agreed.

Mr. Lundrigan: Thank you, Mr. Speaker. The hon. member for Notre-Dame-de-Grâce read his speech in which he touched on the opposition's point of view. At any rate, he read his speech and suggested to the House that the government has no alternative except to follow its present course. I see he is rising on a point of order—no doubt to say he did not read the speech.

Mr. Allmand: Mr. Speaker, I wish to point out that I did not read my speech. Perhaps if the hon. member read a speech now and then we should hear something a bit more constructive.

Mr. Lundrigan: The difference between us, Mr. Speaker, is that the hon. member speaks with his lips but I speak from deeper down.

Mr. Richard: Really, Mr. Speaker!

Mr. Lundrigan: Mr. Speaker, I take it the hon. member who is very excited is the hon. member for Ottawa East (Mr. Richard), someone I have not seen in the House before.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Gander-Twillingate (Mr. Lundrigan) has the floor.

Mr. Lundrigan: May I say in conclusion a word about inflation. Canada is not the most highly industrialized nation in the nation; actually, we in Atlantic Canada are living in a relatively underindustrialized part of the world. I suppose what the government is doing is correct, if you look at the matter in a bookish sort of way. Perhaps the Prime Minister (Mr. Trudeau) should never have entered politics but remained an academic: he could have stayed in some library and written books. There may be theoretical justification for his policies, but what are the facts? We are a young country, a developing country. We have great resources which need to be developed. We need incentives to permit every Canadian entrepreneur, every Canadian with a bit of backbone, to develop our resources and our industries. Certainly this is not the time to put on the brakes. I am afraid that our muscle may turn to fat if the government continues with its present policies.

Mr. Richard: Not at all.

Mr. Lundrigan: I suspect the hon. member will wish to speak after supper, Mr. Speaker. I shall be here to listen to him.

An hon. Member: Six o'clock.

The Acting Speaker (Mr. Béchard): Order, please. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Murray McBride (Lanark and Renfrew): Mr. Speaker, as all hon. members know, in this budget debate we have freedom to cover the vast range of human concern with which a government of a vigorous nation must concern itself in a technological and complicated age. As always, we must recognize that within this House, as well as within our society generally, the old adage applies: A lot of today's frustration is caused by a surplus of simple answers coupled with a tremendous shortage of simple problems. Of this fact I am well aware.

There are no slick solutions to society's ills and no glib analysis within it. Those who assume that we can revert to a sort of primeval simplicity are still clinging to a rear-view mirror view of the world. The hon. member for Notre-Dame-de-Grâce (Mr. Allmand) has pointed out in an excellent manner the basic concern that must face all hon. members who deal seriously with the budget issue; that is, if we want to spend more we have to tax more. We cannot simply demand more advantages from government without facing the situation of more taxation, or vice versa. I will not make any more reference to that aspect of the matter because it has already been dealt with by other hon. members. The hon. member seated directly in front of me did that capably earlier this afternoon.

It is inevitable in any society that the majority of the populace, if given a choice, will prefer to cling to that which is familiar, the familiar laws and traditions, even if they know them to be unjust, rather than risk the new because the new is always the unknown. Marshall McLuhan has reminded us that we are always one step behind in our view of the world because we are benumbed by any new technology.

Because of today's terrific speed-up of information, we have a chance to apprehend and to predict. Certainly the most exciting aspect of all is to influence the environmental forces controlling us and thus, in a certain sense, win back control of our own destinies. I should not use the term "win back" because I firmly believe if we look through the pages of human endeavour as far as history is concerned, we see that man has never controlled his own destiny: there have always been forces and factors beyond our control. But we do have technological levers and tools now at our disposal which give us a great potential to direct our own future.

I wish to spend some time referring to a few of the frustrations and issues which face a backbencher such as myself and perhaps also backbenchers on the other side of the House; indeed, some of them may apply to this country as a whole. First, I want to put on the record that in my opinion Members of Parliament from all parties work far harder, have more responsibilities and more opportunities for creative participation in policy than is generally believed, understood or known to the Canadian public. Second, there is in Canada a kind of a schizophrenic attitude toward elected members. On the one hand, the public seems to assume that Members of Parliament are a useless, self-seeking, lazy lot; on the other hand, we are confronted with the attitude of: Why don't you do more. Why don't you lobby, research and plan more? Why don't you participate more in the constituency, read more letters and represen-

tations, be better informed and prevent old errors from being perpetuated, stop favouritism, help us, defend motherhood and fight evil, etc.? All of these are important. I am sure all hon. members agree with this.

It is at this precise point that the stark irony comes into the situation. To pursue all of the opportunities and responsibilities that come to all members of this very distinguished chamber, we are granted the great machinery or equipment of one small cubbyhole for an office, a telephone and one secretary. We are then told by our constituents: Go to it fellows; you need to change the world.

In my own case I have upward of 60,000 constituents spread over more than 2,000 square miles. As hon. members know, there are approximately 17 major standing committees where, if time and research permitted, an hon. member could make a real and genuine contribution. To this we must add the numerous caucus study committees where a backbench Member of Parliament can have a real input in policy.

We are desperately limited in the information services that are available to communicate with our constituencies. It is difficult for a member to find time and indeed secretarial help to send sufficient information and to write an adequate number of letters to constituents. More limited still are the duplicating equipment facilities which must be used for providing information to constituents. We are not provided with proper equipment for this challenging and creative job. As far as communicating with the public is concerned, we are to all intents and purposes at the mercy of newspapers, in rural areas weeklies and in other areas dailies, and other media.

It is necessary for the newspapers to make a profit: they are running a business. These newspapers are governed by editors who are not even here. They are not elected and are therefore not responsible to the people in the same sense that we are. They cannot possibly adequately assess what is going on here unless we are to assume that remoteness from familiarity with the facts makes for objectivity. These are some of the frustrations I experience as a Member of Parliament.

Some hon. members know my professional background was as an agriculturist and, latterly, as a clergyman. The facilities in so far as equipment and space for secretarial staff that were available to me as a clergyman were far superior to those which are available to me as a Member of the House of Commons. I am sure hon. members who came from distinguished law offices and other professions had the benefit of even better facilities. If we are going to complain that there are inadequacies in the system, there falls upon our shoulders immediately the necessity of suggesting some solutions.

• (8:10 p.m.)

I would therefore, Mr. Speaker, with your permission, suggest ways in which this situation could be improved. It seems to me that every Member of Parliament requires at least the following personal staff if participatory democracy is to continue to flourish in Canada. First, each of us needs a top-notch secretary—most of us have one already—plus a pool upon which to draw as necessary. And there is a sense in which this, too, is already available. Second, each of us needs a full-time constituency worker to follow up in more careful detail the requests which come from individuals and groups in our constituencies. Third, each of us needs a top-flight research worker to prepare background information in order that members can make knowledgeable and useful contributions to debates in this House and to the work of the committees. I want to identify myself, first of all, with this need. Perhaps my speeches and contributions demonstrate this need.

Some hon. Members: Hear, hear!

Mr. McBride: I am willing to recognize this. It is up to hon. members opposite to judge their own speeches themselves. If we are to take seriously the mood I have found around the House of Commons to the effect that major decisions ought to be made by those who are responsible to the people, namely, by those who hold seats in this chamber, we must be willing to make this research assistance available to all hon. members. I should like to know—and this is a rhetorical question—how one can make an informed decision in the complete absence of research staff.

In the House committees we are faced with 17 areas of major concern. Few of us can ever expect to attend all these committee meetings. I myself belong to three committees of the House at the moment and I have reached the conclusion that an hon. member can only do a really useful job on one committee. This means that when I go to my constituency and meet with people who have a wide variety of concerns, I find myself abysmally ill-informed about at least 14 of those major fields of interest with which the House is dealing. I

suggest to hon. members opposite that some of them may be equally ill-informed.

Mr. Yewchuk: Mr. Speaker, I should like to ask the hon. member a question, if he would permit me to do so.

Mr. McBride: I would be pleased, after I am finished. I do not want to sacrifice my time; the hon. member will appreciate this.

Mr. Yewchuk: Does that mean I have to listen to your whole speech?

Mr. McBride: Yes. Mr. Speaker, it is impossible for me to understand how the myth has grown up that backbenchers have no opportunity to put forward their views. The sad truth, and I use that adjective purposely, is that these opportunities have become so numerous that the House and its committees are constantly subjected to views which demonstrate only one thing, namely, that most members have not had the time or the opportunity to place themselves in command of the relevant facts before offering their contributions to posterity via the *Hansard* record. Again, I do not hesitate to identify myself as one of the offenders here, because I hardly ever go to a committee meeting confident that I have done sufficient homework before I attend, or before I speak in the House. I suppose this occasion is no exception.

On December 15 of the present session—and here I turn to another subject—I was privileged to place a motion before this House for debate. The report of the debate appears at page 1981 and following pages of *Hansard*. The motion read as follows:

> That in the opinion of this House, the government should give consideration to the advisability of including the counties of Renfrew and Lanark as a suitable and necessary extension of that portion of northeastern Ontario which is now a designated area under the provisions of the Regional Development Incentives Act.

As the House knows, last Wednesday this motion, together with other efforts put forth by my hon. friend from Renfrew North (Mr. Hopkins) and myself, bore fruit. Renfrew, Arnprior and Pembroke were declared special areas under the legislation establishing the Department of Regional Economic Expansion. For the purposes of this legislation, a special area is one in which special action is needed to promote economic expansion and social adjustment because employment opportunities are exceptionally inadequate either within the area itself or within the larger region of which the area forms a part.

[Mr. McBride.]

Renfrew county is the largest county in Ontario. It has a significant potential in two directions especially—forest-based industries and tourism. It was primarily to enable the development of the forest-based industries that these locations were declared special areas. The benefits in growth and employment which will now accrue to the whole county will be limited only by the extent to which local, county and municipal representatives together with present and prospective industries take advantage of the opportunities which have now come to our region as a result of a lot of people working hard over a long period of time. The over-all development plans which the county of Renfrew had developed over the past few years played no small part in assisting in this decision.

So last week was a big week in Renfrew county, and even the most entrenched anti-French bigot is forced today to have second thoughts before continuing to decry the fact that this country has among its leaders men like our aggressive and capable Minister of Regional Economic Expansion (Mr. Marchand).

Some hon. Members: Hear, hear!

Mr. McBride: Hon. members will immediately recognize that my motion of December 15 referred to "Lanark and Renfrew". So while I may be hero for a day in the Renfrew portion of my constituency, quite the reverse would naturally follow in Lanark. In Lanark county I am in the unhappy position of being like a parent who has two children, both of whom need new shoes, and who is able only to afford new shoes for one. The result is that one child is happy and the other is not. I suppose this is the inevitable problem of both a parent and a politician. To win half the case, or to get one pair of shoes only, is only half the battle and the needs of the child who remains shoeless must now receive all the more attention.

I turn now to another subject—Canada's participation in international population control programs. Most hon. members are aware, I suppose, that the Canadian Development Agency has begun talks with the International Planned Parenthood Federation, with officials of the United Nations organization which is concerned with control of population and with the Organization for Economic Co-operation and Development, as well as with the World Bank and other organizations which support programs of this type. Also, the CIDA has enlisted the services of Dr. G.

F. Brown as special adviser in public health and population. Dr. Brown, as again many members of the House will know, is known internationally for his work in family planning programs.

• (8:20 p.m.)

There has been some discussion in this chamber, and considerable discussion outside the chamber during the last week or so, in connection with the Canadian contribution to the United Nations Fund for Population Activities. The agency has very recently been reorganized, and only now is the United Nations Fund for Population Activities in a position to accept an expanded role and the increased contributions to its work that will come.

Hon. members of the House might be interested to know that to date there are very few countries that have made contributions to the fund. Among those that have not yet contributed are Great Britain, Japan, the Scandinavian countries and, as most of us are aware, Canada. I know that this matter is under consideration but as a member of this chamber I would urge in the strongest possible terms that this government on behalf of Canada co-operate with and participate in the program of this United Nations agency. It is of significance to note that the government is about to bring down a statement on foreign policy in this House, and in this connection I would urge upon the government that this co-operation form an integral part of that over-all statement.

Finally, turning to a fourth and very brief aspect of the remarks that I want to put before the House in this budget debate, it seems to me that some of the mail that members have been receiving—I cannot speak for others but I can speak for myself—on such issues as the government's proposals for tax reform suggest some things that really are not true. I am referring to the fact that I frequently hear it said that there are certain corporations—corporations that declare that they are small in size but which perhaps more accurately should be described as medium-sized or even large corporations—which insist that they are the legs upon which Canada has moved forward. For example, it is said that there are the institutions that have made this country what it is.

Last evening it was my privilege to be in the town of Carleton Place to participate in a forum on some of the social needs of our nation. Those present saw a film that had been produced by the National Film Board on the subject of poverty. As we all know, one person in five in this country lives in poverty. My participation last evening in this forum made it very easy for me to get up and say that here we had classically demonstrated the paradox of our time. Many of us have entered politics, working at the endeavours that we now pursue, precisely because we were unhappy with the kind of Canada that exists. We think that things ought to be changed, that we ought not to live in a nation where one in five are poor. I suggest that those who want to take credit for building the nation should also recognize that they have to take credit for building it all—the bad as well as the good. They must at least be sufficiently open-minded to admit that there are areas that can and must be improved.

One of the things that has inspired in me the most cynicism since I have been a member of the House of Commons is the recognition that there is an incredible lack of vision among some Canadians. When it comes to doing such a puny, minor thing as attempting to move the tax burden so that it is more adequately based on ability to pay, taking a slight piece of the load off the shoulders of people of low income and placing it—obviously—on the shoulders of those of higher income, the failure of many people in various parts of Canada to support this move, one that I think ought to be supported by all people of vision, is nothing short of appalling.

Those of us who believe there is a basic need in this country for legislation that will more fairly reflect the concerns of an enlightened people in an enlightened age also believe that such issues as the white paper are open to discussion. But we are not in agreement with the kind of hysterical reaction from some sources by people who label this attempt to shift the burden of our laws as somehow extremist. Sometimes we are called fascists, sometimes we are called communists. We are even accused of trying to sell out the state, and all kinds of weird and wonderful things. I for one want the record to indicate that it is high time we in Canada showed a little more concern for those who cannot protect themselves.

The reason I became a member of the Liberal Party is that I am convinced that in a technological age you cannot have true and small "c" conservatism because it is an anachronism that cannot work. In today's society you cannot adopt the philosophy of every man for himself and the devil take the hind-

most. Some kind of adjudication must be made. There must be a referee, because all men are not equal. Each man is not able to care for himself.

It also seems to me that in a society such as ours you cannot expect a corporation or some other institution to pick up this particular ball; it must be done by the government. It remains a case of how best and how most creatively and usefully government can perform its responsibility of redistributing in a very real sense national income so that all Canadians have a share in the wealth that is Canada.

Mr. Yewchuk: Mr. Speaker, would the hon. member now permit the question I wanted to ask him? I was interested in the list of things that he needed as a member in order that he is as well served here as he was when a minister. Would he care to add to the list a small pulpit that he could place on his desk when he speaks?

Mr. Stan Schumacher (Palliser): Mr. Speaker, I recall that, when the Minister of Finance (Mr. Benson) brought down his budget in this House last June, he prefaced his speech with the sage observation that the budget was not calculated to increase his popularity. Needless to say, his prediction has been borne out in full measure. No doubt the minister was thinking about the occasion when he omitted that little gem of redundancy from his speech last Thursday. However, I would suggest that the net result has been the same.

If I might say so, the type of approach exemplified by this so-called budget should cause government members some concern in respect to their negative public image, as well as some concern over past and present failures in the field of human relations. In fact, the failure of the government to present legislation that is people-oriented and to comprehend that they are dealing with human beings is causing all of us a great deal of concern. This concern is beginning to spread across the country at large and does not just involve members on this side of the House.

If I may return to the budget, I find that the most difficult task with which I am faced is how to make a serious assault on a frivolous target. For some time I have been faced with a difficult choice: Is this a frivolous document, or is it a facetious document?

• (8:30 p.m.)

It turned out to be an easy choice after all. Since frivolity requires a lesser degree of expertise than facetiousness, this must be a frivolous document. Nowhere in this budget can I find an indication that the government is reform-minded to the slightest degree. Nowhere in this budget can I find even a slight indication that this government plans to institute the spending reforms in its own house that it is trying to impose on all other segments of the Canadian economy. I do find, however, a very strong indication that the Minister of Finance is perpetuating that old formula perfected in the United States by Franklin Roosevelt, of tax and spend, tax and spend.

Where are the solutions to the real problems facing this country? Where are the indications or even subtle innuendoes that this government plans to really come to grips with inflation, unemployment, urban blight, the wheat glut and the scores of other problems that are robbing Canadians of the full life? Are they buried deep in the budget, out of sight? Are they in some kind of mysterious code? If that is the case, Mr. Speaker, then I suggest this document should be written again in clear and concise language.

The truth is that there are no answers, there are no real indications that the answers ever will be forthcoming, at least not in this document. We are one of the world's great wheat producing countries. Wheat is a staple in the diet of a large portion of the world's population. In short, there are markets for wheat in the world. I should qualify that statement. There are markets for United States wheat, there are markets for French wheat, there are markets for Australian wheat and there are also markets for Argentinian wheat, but there do not seem to be any markets this government can come up with for Canadian wheat.

What has this government done about getting Canada back into the mainstream of world wheat markets? The most recent effort they have made in that direction you would not believe, but let me relate it anyway. Our government decided that first of all we had several hundred millions of bushels of wheat stored in all available storage space and on the ground, and that we could not find a buyer. So the government decided that our farmers should stop growing wheat. I should add that the government did do one other thing about the wheat problem. They are prosecuting a few desperate farmers for daring to trade a few bushels of wheat for some meat and potatoes and other necessary supplies.

[Mr. McBride.]

How long will it take the government to interpret the true situation and take corrective action in respect of our wheat and grain problems? The Canadian Wheat Board appears to be powerless to act on the problem. Their terms of reference were drawn in another era. Our grading system belongs to another era. I should say it was indeed welcome news to hear that the Minister of Agriculture (Mr. Olson) had decided to take a short step toward correcting the wheat problem by introducing to the Grain Act amendments which are so long overdue.

The policy of this government appears to amount to sending out monthly cheques to the grain storage houses. This policy of storage in favour of selling has some serious and disturbing overtones. Can you imagine a Canadian industrial policy based on our agricultural policy? Can you picture warehouses throughout the country filling up year after year with automobiles, or warehouses bulging at the seams with flashlight batteries, stoves, refrigerators, radio and television sets? Do not think that this analogy is too far-fetched. We produce consumer goods to sell, so storage is no real problem.

An hon. Member: Cut back on production.

Mr. MacInnis: Why don't you cut back on the production of your tongue for a while?

Mr. Schumacher: I would suggest that the fact remains that our agricultural industry exists to sell these products, not to store them. If we have a critical problem of storage in this area, we have a serious problem that begs an answer. Some hon. members might feel that we have talked long enough about wheat and that we should get on with other things. I agree with that up to a point, but until we solve the problem and until we are able to get back our rightful share of world markets for agricultural products we have an obligation to keep talking, and we have an obligation to lay the governments consummate ineptitude out in the open and let the Canadian people pass judgment.

This budget appears to be designed to accomplish two objectives, both of which are suspect and both of which contain hidden and sinister portents of disaster. The first purpose was loudly proclaimed by the finance minister as a master-plan whereby the government and all other segments of the economy would cut back drastically on spending; that is, the government would cut back on expenditures and the private sector would cut back on buying. This, he admitted, would slow up the economic growth of the country and after a while, presto—no more inflation. Everyone would be suddenly healthier. The minister appeared to be surprised when he was told that the Canadian economy was already in a state of decline. After these last few years of Liberal rule, surely the last thing we should have to do now is artificially depress the Canadian economy.

There was no mention of housing in the budget, so presumably after a period of time there will suddenly be houses. There was no mention of poverty, so obviously everybody will be suddenly richer. There was no mention of wheat sales in this document, so we are left to conjure up visions of foreign buyers beating a path to our shores. These are beautiful visions, and I find it difficult to pull myself away from the intent of this document and back to the mundane world of reality. The realities, though, are quite different from this government's fantasies and pipe dreams. The reality of honest government is quite different from the tactic of bulldozing ill-conceived legislation through this House with completely misguided power.

The second hidden danger in the budget became immediately apparent when the finance minister proudly proclaimed that there were no new taxes or tariffs in this document. Even those guileless souls who dwell in the nether world of Liberal economic philosophy would not tumble to this little gambit. Why would those fearless plunderers on the other side of this House fail to take advantage of this golden opportunity to thrust their hands deeper into the pockets of the Canadian taxpayer, this flowing, bottomless well from whence all riches flow? Why should the Liberal tax grabbers spare the uncomplaining hordes of plundered and harried Canadian taxpayers? I suggest this is because there is a bigger haul in the offing; there is a bigger pot at the end of a brighter and gaudier rainbow. The lavish fiscal policies of this government should not be supported by a token gesture, by a mere several hundred million dollars. They are even now reeling under the public outcry over the scope of that iniquitous tax white paper, and this budget is calculated to smooth the ruffled feathers.

• (8:40 p.m.)

It is calculated to deceive the unsuspecting victim into believing that he has been reprieved that that great federal tax axe is not going to fall. What a change of pace it would have been, what a refreshing breath of

sanity, if the government had announced that instead of the sham of offering "X" number of dollars to the farmers not to grow wheat it would use that money to subsidize the Canadian wheat market. What a stroke of genius it would have been had the government chosen to do the obvious.

Under the proposed system, called LIFT—which I believe translates into Lower Inventory for Tomorrow—we will end up with the same wheat we now have in abundance, plus the reduced new crop that will be harvested in the next season. Those acres not under cultivation will be in serious danger from the elements. I should not have to remind even the members of this House from eastern Canada of the effects of the last dust bowl tragedy that befell the Prairie provinces some years ago.

How much better it would have been had the government announced that it would overhaul the Canadian Wheat Board, revise its operating procedures, update its terms of reference and bring the grading system in line with other world wheat selling countries. Other wheat producing countries have changed their wheat marketing techniques and procedures to stay in the market. What good reason can the government give for failing to read the clear signs that other countries read and heed? If we are to be kept out of world markets because we will not change, what will it take to make us change? What will it take to make us wake up?

Some of the philosophical implications implicit in this budget, Mr. Speaker, are cause for alarm, and I suspect that they are indicative of panic. We are told that to solve the great economic problem of inflation it is necessary to add appreciably to the already serious problem of unemployment. Are we to extend this philosophy into other areas? If some sections of the country are depressed, should we depress the richer provinces until they are down to the level of the less fortunate? Should we cure ignorance by closing all schools in the country until all citizens are equally ignorant?

A close examination of any recent government legislation will prove that this is a dangerously valid analogy. It is beyond the grasp of a reasonable mind why the government, in the face of the critical, humanistic problems gripping our country today, should attempt to create still another federal agency and should provide still another drain on a strained economy, instead of facing up to its mandate.

[Mr. Schumacher.]

We do not need a new agency to promote and foster the use of standards; we have a perfectly good standards agency already. Is this yet another smokescreen being thrown up by the government to take the public mind off the inanities in this budget, or to take some of the pressure off the campaign to ram the confiscatory tax reform legislation through this House? It seems strange to me, and I daresay to most members on both sides of this House, that one of the richest countries in the world cannot get along without repressive and suppressive economic policies.

It is a sad but true fact that this budget will be our economic guideline over the next few months. We will have to prop it up wherever possible and try to make it do. But I must go on record, Mr. Speaker, as being unalterably opposed to applying negative measures to solve positive problems. If the minister is expecting any bouquets for this latest budget, he can be assured that he will get them in abundance from this side of the House, but I must warn him that I sincerely hope he has a fondness for ragweed.

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, I hope I will be able to complete my remarks in a very short time. I shall touch briefly on four aspects of policy; the budget as it has been presented to us, the associated austerity program, the white paper in so far as it relates to the matter before the House, and the present level of taxation in Canada.

Unfortunately, the minister is not here tonight. I believe he is in the counting house counting out his money. However, perhaps the most suitable thing I could do would be to quote for the minister the words of Franklin Pierce Adams who said, "Count that day when, turning on its axis, this earth imposes no additional taxes". At least this budget has the merit of being a considerable change from the pattern of Canadian governments from the days of the government of Louis St. Laurent. These previous governments consistently overspent. If there is one saying that could be applied to the many Liberal governments preceding this one, it would be one of Josh Billings whose advice was, "Live within your income even if you have to borrow money to do it".

Because the white paper is under discussion we realize that this budget is an interim measure. I do not think any of us were really surprised that it did not contain many changes. Speaking within that context, however, I congratulate this government without reservation for having the courage to impose

austerity on Canada and for having the courage to be unpopular, because we cannot amend the Canadian economy and we cannot curb inflation by following the policies of the past decade or 13 years of overspending.

Some government had to have the courage to tell the people that we can spend only what we take in and that preferably for some time we should spend less. I congratulate the Minister of Finance (Mr. Benson) for reducing the public debt for the first time since 1957. I also congratulate him for bringing in a budget which contains no Ways and Means motion, the first of its kind in this nation since 1913.

I have spoken of what I consider to be the necessity in this country to curb spending and to curb taxes. I think it might be wise for hon. members of this House to consider who is curbing taxes and who is curbing spending, and what levels of government are not doing so. I have a few figures I should like to quote to the House from the report of the Tax Structure Committee of the Federal-Provincial Conference of Prime Ministers and Premiers on February 16 and 17, last month.

In 1952 the total tax take of Canada federally, provincially and municipally divided roughly into these percentages: 18 years ago in 1952 the federal revenue was 73 per cent, the provincial revenue was 15 per cent and the municipal revenue was 12 per cent. Then by 1956 there had been a considerable change; the federal share of the tax take was down to 69 per cent, the provincial revenue had increased to 18 per cent and the municipal revenue had increased by 1 per cent to 13 per cent. Then we come to the year 1960; the federal share was down to 62 per cent, the provincial share was up to 21 per cent and the municipal share was up to 16 per cent. For the year 1964 the relative figures are 57 per cent, 28 per cent and 15 per cent. In 1968 the federal share was 52 per cent, the provincial share was up to 33 per cent and the municipal share was 15 per cent.

• (8:50 p.m.)

This paper, Mr. Speaker, was projected to 1971, and we find here again the federal government taking only 52 per cent of the tax revenue of Canada, the provinces continuing to increase their take to 35 per cent and the municipal groups, whom I think many members will agree are badly in need of more finances, down again to 13 per cent. Who is curbing spending in Canada and who is curbing taxation? Is it the federal government, whose share of the tax take has dropped from 73 per cent to 52 per cent, or the provincial governments whose share has risen from 15 per cent to 35 per cent?

These figures can be expressed in another way, as a percentage of the GNP in terms of taxation. These, of course, show the same thing in different figures—a steady decline in the federal government's rate of spending compared with the total national product. In the early 1950s Ottawa was responsible for spending 17 per cent of the GNP, in 1958 16 per cent, in 1962 15 per cent, in 1967 14 per cent, and the forecast for next year is 13 per cent of the gross national product.

I bring this before the House, Mr. Speaker, because some of our friends in the provincial legislatures enjoy nothing better than to have Ottawa as a whipping-boy. I think members of this government and other members of the House should remind the provincial authorities and the people who live in the provinces that if they want to curb spending and taxation, "don't look automatically to Ottawa; look right in your own backyard and see who is overspending." I do not want to go further on that matter at this time, Mr. Speaker, but to return—

Mr. Nowlan: Would the hon. member permit a question?

Mr. St. Pierre: Yes.

Mr. Nowlan: Mr. Speaker, I am always very interested in listening to the hon. member for Coast-Chilcotin (Mr. St. Pierre) and I appreciate his point, but I question the adjective "overspending" that he uses, and the difference between that and increased spending. The hon. member makes a lot of sensible contributions to debate in this chamber. From his figures that I have jotted down, would he not agree that the increase in the percentage of the spending by the provinces also reflects the increase in the obligations of the provinces in this period from 1952 to 1971? Does he not agree it may not be overspending, but is obviously an increase in spending because of their increasing responsibilities?

Mr. St. Pierre: Mr. Speaker, I appreciate the hon. member's remarks, but it is overspending when the provinces go into debt, as most of them have at present. There are exceptions, but most of the provinces are going into debt.

Some hon. members have said that we are having a non-debate on a non-budget, and admittedly this budget is a holding operation

while the white paper on tax reform remains in the field of public discussion. I am neither going to defend nor attack the white paper. I do not think this is the time for that, but at this time I feel I have to mention some of the criticism which I am receiving of the white paper, largely from the business community of Canada.

Mr. Speaker, the white paper deserves good criticism, and it deserves a lot of criticism. It deserves intelligent criticism, and I am happy to say that in my office I am receiving some. But I would be less than honest if I did not say that I am alarmed by some of the emotional rant which is being issued by businessmen and business organizations, whom I would have expected could have provided much more sober judgment and a much more sound, fundamental, common sense examination of what that white paper represents.

Some hon. Members: Hear, hear!

Mr. St. Pierre: I suppose, Mr. Speaker, if I were among those given a choice of whether business was best left in the hands of private individuals or run by government, my impulse—as always—would be toward the private individual, and I hope it will remain there. But frankly, from the calibre of some of the submissions that come to me from supposedly responsible business organizations I am beginning to think that if I have a choice of trusting the economy of Canada to them, or trusting it to the government, I will perhaps have to lean toward the government.

Mr. Flemming: That is a great surprise.

Mr. St. Pierre: You would not be surprised if you saw some of the mail I am getting. To quote the late famous Bob Edwards of the Calgary *Eye Opener,* "Never criticize a man for his grammar or a woman for her morals." But I am still shocked when a businessman, heading a responsible organization, has so little grasp of grammar that literally I cannot understand what he is trying to tell me, and when I write to him and ask for an enlargement or clarification of what he is saying, he is still not capable of clarifying it.

In fact, I think many of them are running poor businesses, and I think possibly the white paper is providing them with an excuse to their stockholders as to why they are about to go broke. Now, Mr. Speaker, we have had in the course of this—

Mr. McCleave: Do you think they should?

[Mr. St. Pierre.]

Mr. St. Pierre: Yes, I think the inefficient should go. I am in favour of the inefficient people going broke, and of efficient people doing good business.

We have had the usual contribution tonight from our friends in the NDP, which is that there are not really any problems in Canada that cannot be solved by taxing people less and spending more. Frankly, I cannot be bothered examining these suggestions too deeply, except of course they are popular words. And if words were meat and potatoes, Mr. Speaker, I am sure that party would by now have provided enough to feed the world and we would all be fat. But unfortunately the facts of life remain before us and they are not going to be removed by the words of the New Democrats whose answer to everything seems to be: spend more and tax less.

Now, Mr. Speaker, I want to move to my final point. This concerns the general level of taxation in Canada. Many of the critics of the white paper, who I think are either being less than discerning or less than honest, insist that the white paper is a method of increasing taxation in Canada. The fact is that the white paper is concerned with the fair distribution of the load of taxation in Canada. That is its central purpose: it needs no other purpose. As to the total taxation load, this can be adjusted upward or downward even if the white paper is accepted in its entirety, which is highly unlikely, or whether the white paper is accepted in an amended form; or it can be done, as it is always done presently, under the taxation system as it exists now.

The level of taxation is not really a function of the white paper debate, but it is the general level of taxation on which I wish to speak for a few minutes. I think there is a real, legitimate concern, common to all members of the House as to what general level of taxation is supportable in this country before the initiative of individuals is stifled.

There are any number of people who are writing to hon. members telling them they know where it is, it is in the white paper, or else they claim it is not. Indeed, some of them who write leave me with the impression that the introduction of the graduated income tax in 1917 was the end of individual initiative in Canada. The facts do not appear to bear this out. But there is a point—I do not claim to know where it is; I do not know who the wise man could be who does know—beyond which taxation cannot rise.

• (9:00 p.m.)

Mr. Alkenbrack: We have already reached that point.

Mr. St. Pierre: Another hon. member says we have now reached that point—another wise man! I wish I had his omniscience. I am a simple man and I do not have answers to everything. I have the questions to which I seek answers.

The late Northcotte Parkinson claimed that the effective level of taxation was 10 per cent. He went further: it was his view that the ordinary citizen did not care if it was taken from him by the government he elected or by a bunch of bearded men who held the mountain pass. It was all the same to him; the 10 per cent was what he was willing to part with, whether to the robber for the government or to one of the freelance men of the woods.

We have long passed Mr. Parkinson's level. The taxation take of the three levels of government in Canada is now in the region of 35 or 36 per cent. We are told that in the United States it is far lower and that our young people will rush down to that happy land of health, wealth and high living as soon as any of the proposals of the white paper are introduced. However, the facts do not bear out that assertion. In 1969, 30 per cent of the American gross national product was going into the hands of various levels of government in taxes. In the last quarter of the last year the percentage of the American gross national product passing through the hands of the various levels of government reached, by odd coincidence, 35 per cent.

Mr. Speaker, can we indefinitely support taxation at 35, 36, 37 or up to 40 per cent? Where is the ceiling? We do not know, but I say we must always remain conscious of the fact that there is a ceiling. To me, every taxation can be likened to a cumulative poison—we are pretty sick before we find out we have had too much of it. We do not have the opportunity of rapidly comprehending the danger. It is not like stepping in front of a speeding truck where, if you make an error in judgment, the impact and punishment is immediate; it is more comparable to the ingestion of mercury poisoning in your food.

The taxpayer is not going to give the government clear notification of when he has had enough. He is not going to say, "Thirty-five per cent of my money you can take, but at 35.5 per cent I will stop paying." There will develop here a vague, persuasive discontent; it will be a sickness. I regret, Mr. Speaker, that unlike some hon. members who join in these debates I am unable to put a figure on it any more than the taxpayer can, but I hope that the government and this House will remember that there are limits to what the taxpayer will part with. I thank hon. members for their courteous attention.

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, this budget proposes to curb inflation. It may succeed in this to a degree, and it may not. What concerns me today is the tendency to disregard the problems of the non-urban sector of our economy which is in no way responsible for inflation. This area has, rather, been the victim of inflation. I do not want to leave the impression that I do not think urban areas have problems too, and very serious ones; I just want to deal with the area of the economy caught in the price squeeze.

One example of this unfairness, Mr. Speaker, is the closing of so many small post offices across the country. In many cases this may be justified. Many small offices close to a larger centre are no longer necessary. Their revenue has been dropping steadily and in some cases the villages surrounding them have all but disappeared. There are many cases, however, of rural post offices the revenue from which, though small, is increasing.

They serve not only as a post office but an important part of community life, possibly the only meeting place for neighbours. Most of these have been open for many years, and their removal has a serious effect, not only on the business with which they are usually associated but on their convenience to the patrons. Surely, Mr. Speaker, the saving of a few dollars in a department where money should not be the only criterion is not justified. The service to the community should have first consideration. To point out the chaos in that department I would refer to the headline in the *Globe and Mail* today stating "Postal Chaos in Montreal—Armed Guards to Move Mail if Necessary, Kierans Warns". This gives us a pretty fair idea of what is happening in the Post Office today.

Is it any wonder that there is concern and unrest in the rural areas of Canada? In the grain growing areas of the west, people are wondering what happened to the election promises of this government when the then agriculture minister promised to sell 4½ million bushels of wheat annually for the next three years. That was in 1968. Now we

have a tremendous surplus of wheat and coarse grains built up in the Wheat Board designated area.

The recent announcement by the Minister without Portfolio in charge of the Wheat Board (Mr. Lang) concerning the drastic reduction in wheat acreage is not well accepted by grain growers. They are aware, however, that at last the government has recognized their plight. For those who feel that this $100 million is a huge sum to pour into the western economy, it should be noted that it will have little effect on the many who practice mixed farming and are already diversified.

Other factors may determine its usefulness in the basically wheat growing areas. It may well be that only a small portion of the designated $100 million will be paid out. It is felt that under the so-called Lang-Olson formula, as little as $30 million or $40 million will go into the western economy. Grain farmers are worried about many aspects of this plan; for example, the land they have rented and agreed to farm in a good husbandlike order, also the problem of erosion involved in two or more years of consecutive summer-fallowing.

Then we have the involved problems of the dairy industry, an industry affecting the local economy as well as the national economy of the country. It must be obvious by now to anyone concerned with the dairy industry that the government's recent dairy policies have failed to accomplish their intentions. It is all very well to say that the dairy industry should not be subsidized but should stand on its own feet. It would like to do that, Mr. Speaker. If dairymen were not producing a perishable product at a fixed price, often below the cost of production, they would not need a subsidy. They are operating in an economy wherein Canadian industry is subsidized by protective tariffs.

One fact of life that recent dairy policies have not taken into account is that in Canada we have large areas of deficit dairy production and other areas where production approximately equals demand. A dairy policy that does not take this into account fails to be realistic and discriminates against large areas of Canada. This was pointed out in submissions by a number of Canadian provinces, and cannot be ignored. The government would have us believe that the $10 million reduction in the allotment for dairy subsidy is part of the new austerity program. Rather, it is a continuation of a planned policy of reducing the dairy subsidy, begun in 1967. It is my understanding that it is proposed to use the $10 million to finance the moving of the farmers off the farm.

[Mr. Moore.]

• (9:10 p.m.)

There is talk now of increasing the holdback on overquota milk, applying to both shippers of milk for manufacturing and fluid consumption. In the case of fluid producers there will be a straight decrease in price for that portion of a fluid shipper's milk that goes into the manufacturing market. This will be nothing less than a disaster for those whose fluid quota is a small percentage of their total production, and this applies to many top dairymen who ship to smaller points. They do not receive a subsidy in the first place, yet in the face of ever-increasing costs, they will be charged a holdback of 52 cents per 100 pounds of milk. Even more has been suggested, which will put these dairymen out of business.

Let us look for a moment at the advice the government gives to farmers. The advice is designed to solve their problems, and it is pretty ridiculous. To the dairymen the government says, "Expand your units, become more efficient, or in other words produce more." It also tells them, "Cut back on your production or we will make it so tough for you that you will be glad to get out of the business." How much sense does that make? To the farmers it says, "Expand your units; make them more viable. Grow more, but produce less. Diversify, but do not produce too much of anything because that product may become a drag on the market." What should the farmers grow? There is no answer. Perhaps they should grow flowers. This is the advice they are given in a world where many people are near starvation.

What are the government's plans for those who have already been forced off the land and the thousands more who will be? They are evidently to be moved from the land they love, out of the clean air and into the polluted air and congested environment of the cities. If history repeats itself, as it has a habit of doing, and we have another depression the government's advice will be, "Go back to the farm." It should not be surprised if the reply is, "What farm?" It is high time, Mr. Speaker, that we had some long-term planning in the whole field of agriculture. The productivity of our relatively small percentage of arable land in Canada should be considered a blessing, not a curse.

Mr. John Burton (Regina East): Mr. Speaker, the budget presented by the Minister of Finance (Mr. Benson) last Thursday was an astounding document. Really, I have some difficulty understanding how the Minister of Finance could work up enough nerve to deliver such a budget speech. He made the point of suggesting that not since 1913 has there been a budget which has not been accompanied by any Ways and Means resolutions introducing tax or tariff changes. The fact is, of course, that the minister did not need to do this because he had already piloted through the House his tax and tariff increases for 1970.

But, more importantly, I suggest that not since 1913 have we had such a pitiful excuse for a budget. This budget reflects the fact that the Liberal government is paralyzed by its own contradictions and contradictory positions. The budget really is an amazing compilation of contradictions. The Minister of Finance as much as admitted that the government's anti-inflation policies have failed to work up to the present time. Just listen to this statement contained in the budget speech:

> There are some recent glimmerings of evidence that the rate of increase of prices is no longer rising.

What a statement that is, Mr. Speaker! It would seem that what the Minister of Finance is trying to say is that the rate of increase in the rate of price increases is no longer going up. Well, the glimmer promptly went out of the minister's financial vision. The Minister of Finance was not even left with a gleam or a flicker in his eye.

An hon. Member: There is no "love life" left.

Mr. Burton: A colleague on my left has just said that there is no "love life" left. I do not think there will be much love for the Minister of Finance as a result of the word that went out last Friday that the consumer index had gone up by another half point and that it is now 5 per cent above the level of last year.

Hon. members will recall that in the budget address the Minister of Finance made a point of suggesting that on a national accounts basis the price increase factor for the past year was of the order of 4.2 per cent, and that the consumer price index had gone up by 4.6 per cent. The minister was saved by one day. If he had delivered his budget address just one day later, the word would have been out that the consumer price index had gone up to 5 per cent over last year's level. The only thing the minister could offer was the pious hope that the policies that did not work in 1969 would work better in 1970. The minister blandly made this statement in his address:

> —I anticipate some increase in unemployment.

That indicates that the minister decided to stand pat in terms of his economic policy, with the exception of the consumer credit controls which he introduced and which will have the effect of tightening the economic screws in Canada still further. This is the price Canadians will have to pay for a set of policies which are not working, even if one were to accept them on a basis that a trade-off between unemployment and deflation is acceptable. I do not accept that sort of proposition. I suggest, Mr. Speaker, that it is morally wrong on the part of the government to tolerate and accept a higher level of unemployment as a price which Canadians have to pay for the government's so-called anti-inflation or deflationary policies.

Last fall the Minister of Finance appeared before the Standing Committee on Finance, Trade and Economic Affairs and in answer to a question I posed said that he did not believe in the trade-off theory. The fact is that he has now put this trade-off theory into practice; he has put it into effect. He reminds me of an old-time buccaneer who simply said, "Damn the consequences; full sail ahead", or the captain of more recent years who said, "Damn the torpedos; full steam ahead." The Minister of Finance now says, "Damn the people; let them founder." It seems to me the Minister of Finance has lost all credibility. This loss in credibility cannot be summed up better than by the one sentence contained in his budget address of last Thursday, as follows:

> We just cannot tell how soon or how far the slowing of growth in demand and in production will bring about a slowing down in price increases.

I do not understand how a Minister of Finance could have the nerve to make such a statement to the House of Commons, a statement which is a damning indictment of his economic policies, and not tender his resignation from his portfolio.

Some hon. Members: Hear, hear!

Mr. Burton: It seems to me that this statement is proof that the Minister of Finance is a babe lost in the woods. Possibly he knows where he wants to go but has no idea of how to get there. On the one hand we have the prediction that the inflationary trends will

continue in 1970, but on the other hand there is no help for pensioners or other victims of inflation. There is no help for these people and no consideration for them in the budget.

Another contradiction in the budget is the attitude of the Minister of Finance to business, and corporate business in particular, in contrast to his attitude toward consumers. This budget imposes no new or greater restraints on business. The deferred capital allowances are continued, although no supporting information was offered or provided to show that they are working at the present time. Actually, there is information to the contrary, to the effect that they are not working. All that is happening is that builders and developers are including these deferred allowances in their total cost picture.

Furthermore, the Department of Industry, Trade and Commerce at the year-end said that capital spending of major corporations in 1970 would be 14 per cent above that of 1969. This shows that the deferred depreciation allowances are just not working. It also shows the lack of response on the part of business corporations to the government's pleading for restraint. Much of the investment to be carried out in 1970 is in non-productive facilities, investment that will not result in greater productivity in Canada in 1970 or in future years. Business has been left basically untouched by this budget. On the other hand, the government is nailing the consumer.

• (9:20 p.m.)

I think one could question the effectiveness of the measures that were proposed, even on the basis that one accepted them. I think more fundamentally, Mr. Speaker, the Minister of Finance and the government are tackling the wrong guy in the present situation. What they are trying to do is further restrict the people who are already feeling the pinch in our present economic situation. These new regulations will pose no problems for the people who have ample financial or economic resources, but to the extent these regulations and controls are effective they could slow down the economy even further than is now the case.

Why not control the financial institutions, their profits and interest rates? It seems that we are still following the bankrupt policies of the Prices and Incomes Commission instead of developing a comprehensive incomes policy. The minister should be aware that such a policy has the endorsement of this party. If he is not, I now draw his attention to it. This was clearly set forth in a report which was submitted on behalf of the New Democratic Members of Parliament by the hon. member for Waterloo (Mr. Saltsman) and myself as members of the Standing Committee on Finance, Trade and Economic Affairs. We called for the introduction of a comprehensive incomes policy as the only way out of the present situation. I wish to quote briefly from that report and the proposition that was put forward:

> To achieve the objective of an equitable distribution of income and of an equitable distribution of the economic burden of rising prices, we propose a comprehensive incomes policy.
>
> It is essential that what we mean by an incomes policy be well understood. To be meaningful, it must be comprehensive, it must include all forms of income. In addition to wages and salaries (the salaries of Members of Parliament included) all forms of non-wage and non-salary income—including profits, rents, interest, professional fees and unincorporated business income must be subject to the policy.
>
> The comprehensive incomes policy must include the provision of a guaranteed annual income, to avoid injustice and hardship. It must be flexible enough to take account of: (1) the plight of low-paid workers (2) disparities within industries and classes of employees (3) increases in the cost of living and (4) other factors causing disadvantage to groups or regions.
>
> It will take time to develop a comprehensive incomes policy fully. Constitutional, economic and geographic factors make it more difficult to apply such a policy in Canada than in some countries. We will have to learn lessons through experience. But the objective and the need are clear. The best way to get there is to start now.

That is the end of the quotation which I submit for the consideration of all members of this House. A further failing of this budget which poses another contradiction is that nothing is being done, and nothing is proposed, to slow down the rate of take-over of the Canadian economy by foreign interests or the dependence of the economy on foreign developments and events. I will deal with this point further on another occasion. It is generally agreed, and it is quite clear, that some of the events to which Canada is subject take place in foreign countries and are in fact beyond our effective control.

In summary, I suggest that the government has demonstrated its incapacity to manage the economy in the interest of Canadians. I wish to give a short and brief analysis of some of my reasons for coming to this conclusion. The first point is that the government does not recognize changes that have taken place in the Canadian economy. The fact is that our economy is no longer governed by market forces, the laws of supply and demand

as we have known them. They cannot do the job now or in the future.

We are living in an economy which is featured by administered prices for the most part. Corporate power, including international and multinational corporate power, controls much of our economy and in fact will be an important influence in the future. One example of the fact that we must realize Canada is living in a new economic situation is exemplified by current developments. At the present time we have a rate of unemployment that based on actual figures is over 6 per cent. We have a rate of price increase in the area of 5 per cent.

These things are contradictory in terms of economic laws as we have known them up to the present time. This indicates the need for new approaches and policies to deal with the situation. This is pointed out by the Bank of Nova Scotia in its most recent "Monthly Review" where it is noted:

> Indeed the current adjustment, like the 9-year expansion that preceded it, has turned out to be so extended that several of the traditional cyclical reactions—in areas such as inventory movements and capital spending plans—have failed to show up at all.

My second reason for reaching the conclusion I did about the government and its management of public affairs is that it is featured by insensitivity. I think this is demonstrated in terms of the government's attitude and policies toward pensioners and other low-income people. The government is willing to risk a recession for the sake of carrying on its present policies which are not working. I plead with the government to take another look at its policies. The First National City Bank of New York, in the United States, points out in a recent study:

> Indeed, a moderate shift in policy taken too soon may prove less inflationary in the long run than a massive shift in policy taken too late.

The third reason for my thinking the policies of the government are unacceptable is that it places a lower priority on public goods as compared with private goods. I feel that all our expenditures and allocations of resources must be subject to close scrutiny and to various criteria which are established. I think these criteria should be established for both public goods and private goods. This government has failed to act with respect to the private sector of the economy.

The fourth point is that I feel this government has demonstrated a lack of courage in tackling our economic problems by its wishy-washy approach to the prices situation. It has failed, and is unwilling to tackle the corporate power and the interests which have control over the Canadian economy at the present time. I say this, not simply in terms of criticism but to show that there is an alternative, another way in which we might direct our economic policy. This was pointed out in a report submitted on behalf of the New Democratic Party members to which I made reference a few minutes ago, in which we called for a comprehensive incomes policy, controls over capital spending, help for pensioners and other victims of inflation and for changes in our monetary policy including a system of flexible exchange rates.

I wish to deal briefly with some of the problems presently facing my own province of Saskatchewan. I shall discuss these in terms of the government's policies and approach in dealing with the problems of regional disparities. This government has placed a great deal of emphasis on its policies concerning regional development. The Minister of Finance has cited regional development policies as being one area of counteraction to the adverse effects of national economic policies. Really, I wish he would get off this kick or, if he will not, I wish the Minister of Regional Economic Expansion (Mr. Marchand) would kick him where it will do some good. Regional development policies are designed to deal with long-range problems on a long-term basis, and it does them a disservice if the minister persists in making a point of this type.

• (9:30 p.m.)

The province of Saskatchewan is a good example of a region of Canada which is faced with difficulties at this time. This is not to overlook the situation in other parts of Canada, but I have a special concern for my own province because of the rapid deterioration there in the past year or two. For example, the population has declined from 962,000 in October, 1968, to 948,000 on January 1, 1970, 15 months later. Personal income per capita in Saskatchewan in 1968 was $300 below the national average—$400 below the national average if farm inventory changes are excluded. In 1968, on either basis, personal income in Saskatchewan was lower than in all other provinces except the four Atlantic provinces. It was, in fact, lower than personal income in Quebec where it is acknowledged that considerable economic hardship does exist.

The figures for 1969 and 1970 will, I am sure, show the situation to be even worse

when they are revealed. I do not like to talk about my own province in this way. Indeed, it hurts me to do so. I recognize it could leave false impressions. I believe Saskatchewan has great potential for development. The province has made an outstanding contribution to Canadian society both economically and socially, particularly under the leadership of my hon. friend from Nanaimo-Cowichan-The Islands (Mr. Douglas) when he was Premier of Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Burton: During that period the province had an outstanding record in terms of agricultural production, mineral production and social institutions as expressed in both co-operative and public programs. Today we are facing serious difficulties in the agricultural industry and in the potash industry, the latter brought about in large part by the lack of planning within that industry in recent years. The oil industry has reached a plateau, and mineral production has declined. Unemployment has increased. It is reliably forecast that unemployment in the urban centres this winter will reach 10 per cent.

For this reason I welcomed the announcement last week that several areas in Saskatchewan are to be included among the special areas established by the Department of Regional Economic Expansion. This will certainly give a psychological boost to the province. Regina and Saskatoon have been included in addition to an area in the Meadow Lake district. It remains to be seen to what extent this new program will be used. Until last week nothing had been done in those areas of Saskatchewan which had been declared eligible under the regional incentives legislation. There are many parts of Saskatchewan which are deserving of further assistance. I stand by my original contention that the entire province should be declared a designated area under the Regional Development Incentives Act. It seems to me that in Saskatchewan at the present time we are handicapped by the worst combination which could be encountered, that is, a Liberal government in Ottawa and a Liberal government in Regina.

In Ottawa we have a Liberal government which has demonstrated, for the most part, little concern for the province. In Regina we have a Liberal government which is desperately trying to pick a fight with Ottawa as its only means of survival in the next election: they know they cannot survive on the basis of their record. This is illustrated by a little squabble which took place last week. It seems there is to be a new distillery built in Weyburn. We are very happy about this. But the Minister without Portfolio (Mr. Lang) from Saskatchewan and the Premier of the province could not help getting into a squable about who should make the announcement. The Premier was to make the announcement on Friday morning, but I gather the Minister without Portfolio felt he should get there first so he made the announcement on Thursday evening, beating the Premier to the post. This is an indication of the petty squabbling which is going on between the Liberals in Regina and those in Ottawa. The people of Saskatchewan are suffering as a consequence.

Further programs are needed to improve farm income, in addition to a generous public works program in the province and an energetic continuation of regional development plans. The people of Saskatchewan are greatly concerned about what is happening in agriculture at the present time. Agriculture is one of the worst of the trouble spots in the economy and the attitude of the government has been one of reacting to a crisis. There have been many examples of this over the past year and a half. The most recent was the announcement of the wheat acreage reduction program called LIFT—Lower Inventory For Tomorrow. Many farmers in western Canada would like to give it a different sort of lift. This is not an income plan, Mr. Speaker. It is an incentive plan to persuade farmers not to produce in 1970. It represents a complete turnabout as compared with the policy put forward a few years ago when farmers were urged to grow all they could. Now the farmers have to pay the shot for following the government's policy.

This program has certain basic shortcomings. First, it is poor psychology. It does not wear well with farmers to ask them not to produce. For this reason the policy will be ignored by many farmers in western Canada simply because it is not realistically related to their situation. Second, there are basic inequities in the program, the most obvious of which relate to the situation of farmers who made a considerable adjustment last year and who are now penalized as a consequence. Third, the plan fails to take into account the social and economic consequences.

I don't believe this program was subjected to a cost-benefit analysis before it was announced. If any minister disagrees with this statement, I challenge him to table whatever studies were prepared in the development of

this program. I contend there are serious potential environmental problems associated with the program. Suppose we encounter a dry year with low rainfall; we could find ourselves in a serious situation. Crop scientists have already warned farmers about this possibility and have expressed concern. Fifth, there are no income alternatives presented to farmers and, sixth, the plan does not take into account the situation of small farmers and mixed farmers.

The program is an example of the trouble we get into when policies are made by a minister or ministers who may be intelligent or capable but who lack an understanding of, or a feeling for the agricultural industry and rural people. The frustration of farmers was expressed no better than in an advertisement which appeared during the last several days in the Regina *Leader-Post*. This advertisement, which was placed in the "Farms for Sale" column, reads as follows:

• (9:40 p.m.)

Opportunity for Premier, M.L.A. or Dept. of Welfare.

Will trade one section of good land, free of debt, value $60,000. Payments to be $4,970 annually for life and non-taxable. Same as city family of 7 on Welfare. If this offer is not taken before land grows to weeds to qualify for $6 per acre payment, will add $35 to annual payments for ulcer diet allowance. This bargain available until next increase in welfare allowances.

It seems to me this advertisement expresses the frustration that many people feel toward the government's new program. I suggest that the Liberal government has been responsible for the most colossal combination of bungling, mismanagement and lack of understanding in its dealings with agriculture that has ever been witnessed in Canada.

Today the survival of the industry is at stake. Basic adjustments have to be made. We want to know where the government stands in connection with agriculture, and the Canadian Federation of Agriculture is also asking this question. Recently they sent a letter to the Minister without Portfolio in charge of the Wheat Board in which they said:

The report of the agricultural task force (which incidentally urgently needs to be released to the public so that debate on its contents may begin) should provide a good starting point for a dialogue on the basic principles—

And so on. This suggests that the report of the task force is now in the hands of the government or is available to the government but has not been released. I suggest this is a matter that should be placed immediately before the people of Canada. The Canadian Federation of Agriculture then went on to ask some basic questions of concern to the agricultural industry and all farmers of Canada, questions that should also concern the government.

Furthermore, the fact is that there are things that can be done. Reference has already been made in this House to the study recently published by the Economic Council of Canada entitled "Future Market Outlets for Canadian Wheat and Other Grains" written by Dr. Hudson, formerly with the federal Department of Agriculture. I shall conclude very shortly, Mr. Speaker. Dr. Hudson points out:

A survey of the competitive position of Canadian wheat in selected markets suggests that the principal causes of Canada's declining market share are: lack of consistent quality as measured by uniformity of protein content within and between shipments of wheat designated as the same grade; insufficient flexibility in pricing to meet market competition; inadequate market development effort; increased self-sufficiency in importing countries; and unfair competition resulting from the use of export subsidies and the manner in which government-assisted export programs are carried out by competing exporters.

Then Dr. Hudson goes on—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Burton: I can conclude in two minutes, Mr. Speaker.

The Acting Speaker (Mr. Béchard): Does the House give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): There is not unanimous consent.

Mr. Ross Whicher (Bruce): Mr. Speaker, might I say to the last speaker that I am very sorry he was not given the opportunity to finish his speech, which in my opinion was well prepared, although I cannot agree with what he said. I listened with great indulgence to the hon. member for Waterloo (Mr. Saltsman), the official spokesman on financial matters for the New Democratic Party, when he spoke this afternoon, as I did to the hon. member who has just resumed his seat. Both of these members are on the Finance Committee, of which I have the privilege of being a member, and I have learned to listen to

what they say. While I do not always agree with them, I have nevertheless found that generally speaking their speeches are well prepared and their thoughts are equally well prepared.

To get down to brass tacks, having paid these flowery compliments to the hon. members in question, I should like to ask the hon. member who has just spoken this question. He condemned the Canadian government, the Liberal Party and our way of life in Canada, as did the hon. member for Waterloo. Would the hon. member go to this office and look at a map of the world? Having looked all over the map, I would ask him whether, having in his mind's eye travelled all over the world, he has not discovered, as have many thousands of Canadians, that Canada is the best country in the world; that although it is very nice to take trips all over the world, it is even nicer to come back to this country in which we are proud to live.

Having listened to the members of the New Democratic Party, I got the impression that this was a terrible country in which to live; that everybody was poor or everybody was rich; that nobody had the satisfaction of living what might be described as the full life, of living a happy life in this great country of ours.

In spite of the Liberal government that my friend has criticized during the last few minutes, and in spite of the fact that since 1867, when we first became a nation, everything here has not been heavenly, we still have a great country. Perhaps one of the reasons for this is that the New Democratic Party has never formed the government. I wonder whether it is true that one of the reasons we do have a great country, one in which we are all happy to live, is that in the majority of cases a Liberal government has run the country—and run it, in my opinion, most effectively.

Some hon. Members: Hear, hear!

Mr. Comeau: Don't overdo it, now.

Mr. Whicher: I can remember what happened in 1935. Some of my hon. friends were not here then, but there are Conservatives who were in the House in 1935. I remember travelling across Bruce county, which I have the privilege of representing in this House, on numerous occasions and hearing constituents of mine—Conservatives—saying, "Mr. Whicher, we will never vote Conservative again as long as we live, because we remember what happened in 1935".

[Mr. Whicher.]

Some hon. Members: Oh, oh!

Mr. Whicher: I am only telling the House what was told me by good Conservative constituents, friends of hon. gentlemen to my left.

I want to devote a few minutes to what has been said by others who have preceded me. First of all, I go back to what the financial critic for the New Democratic Party said. In my opinion, he was most unfair in his criticism this afternoon of the Liberal government and the Minister of Finance (Mr. Benson). I do not contend that there is some reason why a member of the New Democratic Party should not be unfair, but I do say that the hon. member was not realistic in his approach to a subject that is of most importance to the people of Canada.

For example, the hon. member spoke of regional development and said this was good, that the government to the right of Mr. Speaker was doing an excellent job. Then he said that it was not good so long as we did not have full employment. I am sure there is no one in the government or on the Liberal benches who does not wish there were full employment in Canada today. Everybody wants full employment. But what happens if we price ourselves completely out of world markets? I realize that our friends in the New Democratic Party do not agree that we might in the future price ourselves out of world markets, but what would happen if we did? Then we would really have unemployment. The choice is not between inflation and unemployment. The government by its actions is showing it is against inflation and that it hopes to be able to do something about the problem.

• (9:50 p.m.)

The government is also against unemployment, but the brutal fact is that it must make a choice, not about unemployment today but unemployment five years from now. What about unemployment two years from now? Is it not better to have 5 per cent of the people unemployed today, cruel though it may be, than to have 10 per cent of our people unemployed two or three years from now? This is the struggle and these are the questions that are going through the mind of the Minister of Finance (Mr. Benson) as he works on this problem which is very serious to him and indeed to all the people of Canada. It is all very easy to be on the left of Mr. Speaker, as indeed I am, and to be somewhat critical of the government. But when you sit in high

places and you are the Minister of Finance responsible for raising $12 billion or $13 billion, and at the same time you must look after the spending of $12 billion or $13 billion, it is a more difficult job than criticizing all the time.

My friend the hon. member for Waterloo asks what is the cost of unemployment in Canada. May I be the first to tell him that it costs a great deal of money. I agree with my friend when he suggested that perhaps it costs in the neighbourhood of $4 billion per year. This is a situation we should all strive to rectify. No one wants unemployment and no one wants inflation. But inflation is not just a problem in Canada: it is not just a problem facing the government which sits opposite; it is a problem of all Canadians and, indeed, all the world. There is as much inflation in the United States as there is here. We are bound to have more inflation in a country that is going ahead faster than any other, for example Japan. There is now inflation in Germany, the other country that lost the war.

We are a small country in population, with approximately 21 million people. The Minister of Finance is the man who has to come up with the answers and I appreciate the difficulty he faces. He is faced with unemployment which costs a great deal, and it will cost a great deal more if we do not attack the inflationary situation which exists not only in this country but indeed in the whole world.

The hon. member for Waterloo suggested that the government has caused unemployment. I deny that completely. The government has not caused unemployment. What the government is attempting to do is solve the inflationary situation. In my opinion it is one of the greatest forms of robbery we could have in this country. Some time ago I referred to the devaluation situation. Supposing a fellow retired ten years ago with $50,000 in bonds, perhaps a farmer from Quebec or Ontario, or with $100,000 if he happened to own a profitable wheat farm in Saskatchewan, and supposing he put his money on deposit with the Royal Bank of Canada or in Canadian government bonds: today that money would be worth only about half what is was worth ten years ago. Inflation is a tremendous robber. This is a problem not only in Canada but throughout the world, and it must be beaten because neither Canada nor the world can afford it. While we are interested in the world situation, we are primarily interested in this Canada of ours.

For this reason the government, through the Minister of Finance, has created what is known as tight money in an attempt to combat the inflation bug. By creating tight money, some unemployment has resulted. It is not just our friends to the left who are interested in people: every one of us who sees people losing jobs, whether we be Liberals on the right of Mr. Speaker, Liberals in the rump, members of the NDP, Conservatives or Creditistes, we are all interested in our friends and neighbours and we want them to have the ability to make a living.

I should like to see how our friends to the left would operate in a situation such as this. This government was elected on June 25, 1968. Often when I listen to hon. members speak I get the idea that they feel their party was elected to govern this country. There is only one reason they sit to the left of Mr. Speaker and the government sits to the right—they lost the election; this country expressed its confidence in this government and it is this government which is making the decisions. In my opinion it has done a good job.

The hon. member for Waterloo suggested that the biggest problem was not inflation but a lack on the part of the government to adapt. He suggested there was no indication that we would ever price ourselves out of world markets. This afternoon he suggested that we could raise the price of copper by 25 cents a pound. We have a great deal of this product, the world wants it and we can sell it. We can also sell a great deal of our nickel which increased in price by 25 per cent.

My hon. friend asked us to name some products in respect of which we might price ourselves out of world markets. In what I thought was a very nice way, I mentioned shirts. He answered very well and said we could never compete with what I am sure he meant—he will correct me if I am wrong—the world textile market. I ask him to get in touch with our textile friends across Canada, some of whom are in his areas, and find out whether they are willing to close up shop and go home to bed rather than compete with world textile industries.

Of course we can compete as long as union wages are maintained, as long as our productivity is high, as long as our machinery is 100 per cent efficient and as long as we can produce quality comparable to that of United States industry and industry in the rest of the world. My hon. friend also referred to Stelco as one of the greatest steel producing compa-

nies in the world. This is a company of high efficiency. No one could agree more than I that Stelco is one of the best steel companies in Canada. What is the situation in respect of Japanese steel?

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

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—VIET NAM WAR—SALE OF WEAPONS TO THE UNITED STATES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on March 2 I posed the following question to the Secretary of State for External Affairs (Mr. Sharp):

In view of the fact that Canada sold approximately $300 million worth of weapons and defence materials to the United States in 1969, is the Canadian government now considering putting an end to this complicity in the Viet Nam war by stopping these sales?

I asked this question for a number of reasons. I would preface my remarks by saying that Canada is by far the largest foreign supplier of military equipment to the United States. Let me use a couple of very simple statistics to show what I mean. In 1964 we sold about $161 million worth of war and military equipment to the United States; in 1969 we sold them approximately $300 million worth of defence and military equipment. In 1964, six years ago, there were approximately 23,000 United States troops in Viet Nam; in 1969 there were over 500,000 United States troops in Viet Nam, and over half a million United States troops are fighting in Viet Nam today.

• (10:00 p.m.)

As we know, the defence-sharing agreement is one whereby specific military equipment is contracted for by the Pentagon. We know that much of this equipment which goes to the United States is used directly in the war in Viet Nam: this has been stated by people in the Pentagon. Any of this equipment which does not go directly to Viet Nam finds its way into the United States military pot. This means that indirectly that we have equipment there, because the United States can use more of its equipment in Viet Nam, so it really does not make much difference.

[Mr. Whicher.]

I should like to see Canada out of this type of involvement. Whether or not we are in favour of the war in Viet Nam, we are involved whether we like it or not because we are supplying military equipment and military goods to the United States. Viet Nam has perhaps done more than anything else to divide the generations in America. If we look around in the United States, and even in Canada today, we can see that it has divided societies, communities and families.

I maintain that the United States presence in Viet Nam is politically and morally wrong. In being involved in a war in Viet Nam the United States is leaving one of the deepest scars on the conscience of humanity. It is an aggressive war. It is being fought by a foreign power against a people who for decades have been fighting powers such as China, France and now the United States.

Let us for a moment look at Canada's role in the Viet Nam war. I think it is very inconsistent in respect of our stand in other wars which are going on now or which have gone on in the last few years. We did not supply arms to either side in India or Pakistan. We are not supplying arms to either Israel or the Arab states. We did not supply arms to either Nigeria or Biafra regardless of our activity or inactivity in that situation. In all these situations we maintained a degree of military neutrality. We are not doing that in the case of Viet Nam because we are supplying approximately $300 million worth of arms to the United States this year and supplied more, as a matter of fact, during the last two years.

Ending the war in Viet Nam is something we alone cannot do—we all realize that—but we can make a contribution to that end. One way to do it is by cutting off our supply of arms to the United States. This would contribute to ending the killing and misery which is going on in Viet Nam today. It would also help the United States get out of this war in Asia because, as I have said, it not only is dividing the people but is placing the United States in the position of being a giant powder keg which is ready to explode at any time.

The United States involvement in Viet Nam has many other detrimental effects. It is draining the United States economy of money which could be spent on housing, on combating poverty and in cleaning up the cities of that country. These things, too, contribute to the very explosive situation in the United States. It is also in the interest of Canada that the war end as soon as possible, because whether we like it or not the Viet Nam war is

contributing to everything from inflation to social unrest in this country. No matter what we think of it or how we like it, this is the way it is. We must try to stop that war as soon as possible.

I do not think any Canadians like to think they are a part of the killing and misery which is going on in a far away rice paddy at this very moment. Finally, if we do stop the sale of armaments to the United States, or through the United Nations put pressure on all sides to stop the fighting, we will indeed strengthen the international community. How many more Viet Nams or Nigeria-Biafras will it take before the world will suddenly blow up? How many more situations like this can we tolerate before that final spark, and before there is a major nuclear confrontation with which we would have to contend? For these reasons, in brief, I was asking and am asking the government to stop our sale of arms to the United States.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the hon. member is suggesting that because the United States is engaged in a war in Viet Nam of which he disapproves, Canada should end its long-standing defence production arrangement with the United States.

Mr. Barnett: He is not the only one.

Mr. Sharp: There are others who disapprove, too. But what he is suggesting is that because he and many Canadians disagree with the war in Viet Nam, this country should end its long-standing defence arrangements with the United States. In the first place, the great bulk of United States procurement in Canada under these arrangements does not consist of weapons but electronic equipment, transport aircraft and various components and materials.

In the second place, Canadian-made equipment goes into the general inventory of the United States armed forces and may be used by those forces anywhere in that country or overseas. As an ally of the United States in North America and in NATO, I think it is entirely appropriate that we should have such defence production-sharing arrangements. It is therefore quite misleading on the part of the hon. member to suggest that Canadian weapons are being supplied to the United States for use in Viet Nam. Some of them may be used there but the defence production arrangement, as he himself has mentioned in his remarks, predates any involvement by the United States in Viet Nam and would go on as and when we all hope the war in Viet Nam is over.

We have a two-way arrangement with the United States under which we purchase considerable quantities of modern defence equipment for the Canadian armed forces, and we seek to balance this by sales to U.S. agencies. There have been times when the balance has been more in favour of Canada and other times when it has been more in favour of the United States. It has varied from time to time. At the moment I guess it is more favourable to us.

The government is not contemplating the ending of this defence production-sharing agreement with the United States. To do so would be a reversal of the whole co-operative defence relationship and would be costly as well to Canadian industry and to Canadian workers, to no good purpose.

Mr. Nystrom: Why has it doubled in the last five years?

Mr. Sharp: This is a reversal of the previous arrangement, of a situation when we used to purchase much more from the United States than we sold them. This was one of the reasons we entered into the defence production arrangement. As I say, to end that arrangement would be to reverse the sort of co-operative arrangements we have had with the United States over a long period of years and which I hope will continue after the Viet Nam war is over. The step he is suggesting would in no conceivable way contribute to a peaceful solution in Viet Nam, which the government desires just as much as the hon. member.

AGRICULTURE—INVESTIGATION OF REMOVAL OF SERIAL PLATES FROM IMPORTED TRACTORS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I think the minister to whom I referred this question is probably looking into it at this time, so rather than leaving it to clutter-up the adjournment debate list of questions I would ask that it be transferred back to the question period.

POLLUTION—AVAILABILITY TO COMMITTEE OF PROVINCIAL BRIEFS ON CONTROL

Mr. Randolph Harding (Kootenay West): Mr. Speaker, on March 10 I asked the Minis-

ter of Energy, Mines and Resources (Mr. Greene) the following question:

Did the provincial governments submit briefs on the subject of pollution control to the federal government during the federal-provincial conference held in Ottawa on February 16 and 17? If so, why has the minister not made these briefs available to the national resources committee which is currently dealing with the Canada Water Act?

The minister gave no reply to the question, and because it is of vital importance to the national resources committee, which is now studying the new legislation, I asked that it be raised at this time. During our committee meeting on February 3, the minister indicated that points of discussions between the federal government and the provinces would not be passed on to the committee. Two weeks later the Federal-Provincial Conference took place in Ottawa.

• (10:10 p.m.)

The provinces submitted briefs to the federal government on their views and approach to the pollution problems facing Canada. I feel these briefs should be passed on to the National Resources Committee for study and action. It is the only sensible way of acquainting the committee members with the problems facing us under the new Canada Water Act. To date, this information has not been given to the committee despite the assurance of the Prime Minister (Mr. Trudeau) on February 18 that the provincial briefs had been made public.

How can the Standing Committee of the House of Commons on National Resources do an adequate job of amending legislation which is currently before it, when the information on problems which we are facing provincially is not made available to the members for study? This is an odd way of making sensible legislation. I trust this attitude on the part of the minister will not continue and that all the material available will be released to the committee. We all want to make the new act workable and we must have the necessary background material to do this.

Mr. Speaker, I should like to pose two questions to the minister: Will copies of the briefs be made available to all members of the committee and, if so, when?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, because the Minister of Energy, Mines and Resources (Mr. Greene) is not available tonight, nor is his Parliamentary Secretary, the hon. member, my fellow British Columbian, will have to be content with second best. However, I shall let him down as lightly as possible. I have secured a copy of the remarks which my colleague would have made had he been here, and in order to avoid error I shall read them very carefully.

Mr. Speaker, as the Prime Minister (Mr. Trudeau) stated in this House on Wednesday, February 18, in answer to a question similar to the one posed tonight by the hon. member for Kootenay West (Mr. Harding), he or no member of his government has authority over a committee of this House.

The Minister of Energy, Mines and Resources has not made the briefs of the provinces on pollution control available to the committee because, as the Prime Minister stated on that earlier occasion, whatever provincial briefs were made public are available through the federal-provincial secretariat if it is the wish of the committee to examine the opinions raised. The Minister of Energy, Mines and Resources does not have authority over what papers and opinions are brought before any committee of the House.

Mr. Speaker, the Federal-Provincial Conference held last February 16-17 was a private, in-camera event, the deliberations of which were for the most part not released to the public. Though both levels of government agreed to the confidentiality of the conference, some provincial delegations chose to release certain of their opinions on some of the matters which the conference discussed. If the hon. member and the National Resources Committee wish to examine those provincial briefs which were released, as the Prime Minister stated in his answer to the hon. member for Parry Sound-Muskoka (Mr. Aiken) on February 18, the initiative rests with the member and the committee upon which he sits, and not with the Minister of Energy, Mines and Resources or any other member of the government.

Motion agreed to and the House adjourned at 10.15 p.m.

HOUSE OF COMMONS

Tuesday, March 17, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FINANCE

TABLING OF FIRST ANNUAL REPORT OF ANTI-DUMPING TRIBUNAL

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I wish to table today, in accordance with section 32 of the Anti-dumping Act, copies in the two official languages of the first annual report of the anti-dumping tribunal. The report summarizes the tribunal's findings regarding the impact of dumped goods on Canadian production in three inquiries conducted in 1969.

Mr. Baldwin: I think the minister ought to read it all out loud.

REGIONAL ECONOMIC EXPANSION

DESIGNATION OF SPECIAL AREAS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James McGrath (St. John's East): Mr. Speaker, first may I be permitted to remind the House that today is the 17th of March, the feast of St. Patrick.

Some hon. Members: Hear, hear!

Mr. McGrath: That being so, perhaps the House will be disposed to demonstrate to this son of Ireland that charity which Irishmen the world over are noted for. With the unanimous consent of the House I wish to propose a motion under Standing Order 43. The urgent and pressing necessity for this motion is explained by the following circumstances. I shall be brief, as Irishmen usually are on St. Patrick's Day.

On March 11 the Minister of Regional Economic Expansion announced in the House the areas that, effective April 1, 1970, will be designated as special areas. These initial designations will be effective to the 30th of June, 1972. Agreements are to be signed with the provinces effective on April 1. The immediate projects under these agreements will involve commitments of $200 million and are to be started within the next few months. The precise boundaries of the special areas are to be specified in the agreements.

Sir, the only opportunity allowed for debate in this House so far has been the short replies allowed to spokesmen for the opposition parties when this statement was made. The minister, according to the roster system, was improperly absent from the House yesterday. The Standing Committee on Regional Development will not sit, it now appears, before the Easter adjournment. This important matter, therefore, cannot be considered in committee before April 1. Accordingly, since Your Honour has ruled that Standing Order 5 is obsolete and that a member does not have to attend the service of this House, with the resultant corollary that we have no assurance the minister will be available for the budget debate or, indeed, before April 1 or at all, I wish to move the following motion which is seconded by the hon. member for Peace River (Mr. Baldwin):

That the statement of the Minister of Regional Economic Expansion of March 11th on areas designated as special areas be referred to the Standing Committee on Regional Development; that the committee report back to the House thereon on or before Wednesday, 25th March; and that the Minister of Regional Economic Expansion be ordered to appear before the committee during its sittings on the said statement.

Mr. Macdonald (Rosedale): Mr. Speaker—

Mr. Speaker: Order, please. I see that the President of the Privy Council wishes to address the House on the motion proposed by the hon. member for St. John's East. I must first ask whether there is unanimous consent on the part of the House so that the hon. member's motion can be put.

• (2:10 p.m.)

I do not want to engage in a debate with the hon. member for St. John's East, but he referred to the fact that the Chair has ruled that Standing Order 5 is obsolete. To my recollection no such ruling was ever made. I think there was some doubt expressed with regard to part of Standing Order 5 which states:

Inquiries of the Ministry

Every member is bound to attend the service of the House, unless leave of absence has been given him by the House.

My suggestion on a previous ruling was that perhaps the practice of obtaining leave of absence from the House appeared to have been abandoned. There are a number of members from both sides of the House who for good reason are not here today and who, of course, have not obtained leave from the House. It was in this way the ruling was made. In any event, to return to the motion proposed by the hon. member under Standing Order 43, the motion cannot be put unless there is unanimous agreement. I have to ask whether there is such unanimity.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As the hon. member has heard, there is not unanimity. I regret that the motion cannot be put.

Mr. McGrath: On a question of privilege, Mr. Speaker, with all the humility of my Irish heart, perhaps Your Honour will allow me to withdraw that part of my remarks with which Your Honour does not agree.

Mr. Speaker: Since there is not unanimity, the motion cannot be put.

FARM PRODUCTS MARKETING AGENCIES BILL

ESTABLISHMENT OF NATIONAL MARKETING COUNCIL AND AGENCIES

Hon. H. A. Olson (Minister of Agriculture) moved for leave to introduce Bill C-197, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products.

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

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

INQUIRY AS TO WHITE PAPER

Mr. G. W. Baldwin (Peace River): I have a question for the Acting Prime Minister. Can he inform the House when it may definitely expect to receive the white paper on foreign policy? Also, will he give an indication as to its format and the areas of concern it may be expected to cover?

[Mr. Speaker.]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I think the Prime Minister will be present later in the question period, Mr. Speaker. Possibly the hon. member could wait and repeat his question at that time.

WATER RESOURCES

DIVERSION FROM CANADA TO UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Energy, Mines and Resources. Since I see him sporting a green tie in honour of St. Patrick's Day, I hope this will result in a very happy reply. May I also be permitted to remind the minister and all sons of Erin that St. Patrick was a Scotsman.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): He was sent to Christianize Ireland, that is the only thing the Scots ever undertook in which they failed completely.

In view of an article by Mr. Lewis G. Smith which has been printed in the Congressional Record, placed there by Congressman Frank Moss of Utah, recommending the diversion of the Liard river system in northwestern British Columbia, the Yukon and Northwest Territories, I should like to ask the minister whether any studies have been made or are being made by the Canadian government, either on its own or in conjunction with private interests in Canada or the United States, in regard to diversion of water from Canada to the United States?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I am surprised to find that my hon. friend is as badly informed about saints as he is about energy policy. With respect to his question, I saw the article and its highly speculative opinion, to which, of course, the individual concerned is perfectly entitled. There are no studies being carried on by the government of Canada in respect of the feasibility or otherwise of diversion for the purpose of exporting water to the United States.

ENERGY

CONTINENTAL POLICY—COMMODITIES INCLUDED IN DISCUSSIONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a related question for the Minister of Energy, Mines and Resources. May I ask him what particular

energy commodities are being discussed in the talks that are going on between the government of Canada and the government of the United States in working out a continental energy policy?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, in the first place the discussions which will take place will not be concerned with a continental energy policy, whatever that may mean, but will be concerned with the question of marketing Canadian energy commodities and United States energy commodities on a bilateral basis. Discussions in regard to long-term arrangements have not in any particular sense commenced. There have been general discussions held since the presidential and prime ministerial initiative of last March. Most of the discussions of recent time were about the short-term question, which was settled by the unilateral decision of the President last week.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary question, Mr. Speaker. May I ask the minister whether uranium and hydroelectric power are within the ambit of the discussions that are going on?

Mr. Greene: Mr. Speaker, when we sit down to discuss the long-term arrangements in particular, I would envisage that the first meeting would, in the normal fashion, determine the agenda and the matters to be discussed. This agenda has not yet been decided. Certainly it could well be that uranium and hydroelectric power will be within the terms of that reference, but that has not yet been decided.

OIL—U.S. IMPORT RESTRICTIONS—EXPORT OF CANADIAN WATER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question. Having listened to the general answers given by the minister, we should like some particulars. May I ask the minister whether the United States, in the negotiations that the minister has mentioned often in regard to the export of crude petroleum, has asked for or demanded export of Canadian water in return for any increase in the crude petroleum quotas which have been cut back and have so severely affected western Canada?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): No, Mr. Speaker. At no time in any discussions that I or any of my officials have had with the United States has that country made an enlarged market for Canadian oil in the United States contingent upon the export of Canadian water, or even suggested such a possibility.

Mr. Woolliams: May I put a further supplementary question to the minister. In view of the statement of the Prime Minister that the Canadian government is prepared to export water in any energy arrangement or negotiations with the United States, can the minister now explain the answer which he has just given?

Mr. Speaker: Order, please. The hon. member's supplementary is obviously debate, and I should not think the question is acceptable in those terms. The hon. member for Edmonton Centre.

Mr. Paproski: Thank you, Mr. Speaker. My question is for the Prime Minister, but I would like to pass until he comes into the House.

ERIN GO BRAGH

Mr. Steven E. Paproski (Edmonton Centre): As I have the floor, Mr. Speaker, as an Irishman I would like to pay my respects to Irishmen, if I may, and dedicate these words to those people who would like to be Irish:

The Lord above made Irishmen for laughter,
Oh yes, and laughter sure is mighty swell,
The Lord above made Irishmen for laughter
But, with a little bit of luck,
With a little bit of luck,
A donnybrook would do as well.

The Irish wit was made for making merry,
To spread the life of joy in me and you,
The Irish wit was made for making merry
But, with a little bit of luck,
With a little bit of luck,
A shillelagh has its purpose too.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member is pressing his luck.

GRAIN

OATS AND BARLEY—FINAL PAYMENT ON 1968-69 POOLS

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister without Portfolio in charge of the Wheat Board. In view of the fact that the 1968-69 oat and barley pools have been closed for some time, would the minister indicate to the House when he will be in a position to announce the final payments to be made to the producers out of the surplus in the accounts?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I think the hon. member knows that the indications earlier were that these pools would in fact be in a deficit position, and that has in fact proven to be the case.

[*Later:*]

Mr. Muir (Lisgar): Mr. Speaker, I have a supplementary to the Minister without Portfolio. Is he indicating by his answer to me that in fact there will be no final payments in respect of these two grains?

Mr. Lang: In respect of oats and barley, that is right, Mr. Speaker.

FINAL PAYMENT ON DURUM WHEAT

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my supplementary is to the minister in charge of the Wheat Board. Will he inform the House when the farmers can expect their final cheques in respect of the production of Durum wheat?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, we are very conscious of the obvious desire on the part of these producers to have them at as early a date as possible. There is some difficulty in closing the Durum part of the pool without closing the whole wheat pool. We are looking into that problem to see whether they can be physically separated in terms of closing. It may be some time before it is possible to close the wheat pool as a whole.

Mr. McIntosh: Mr. Speaker, when the minister makes an announcement about final payments will he also issue a press release stating that this money is the farmer's own money and does not come from the federal treasury?

WHEAT—"LIFT" PROGRAM REGULATIONS—APPEAL BOARD

Mr. John Burton (Regina East): Mr. Speaker, my supplementary question is to the Minister without Portfolio. Can he indicate when the regulations will be issued in respect of the program entitled "Lift", and can he also indicate when the appeal board will be announced together with its terms of reference?

Hon. Otto E. Lang (Minister without Portfolio): No, Mr. Speaker, I cannot give a precise date for this at the present time.

[Mr. Muir (Lisgar).]

[*Translation*]

HISTORIC SITES

ARTHABASKA—ACQUISITION OF RESIDENCE OF SIR WILFRID LAURIER

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development.

Has the Historic Sites and Monuments Board of Canada taken any decision with regard to the recognition as a national historic site of the house in which Sir Wilfrid Laurier lived in Arthabaska, which is located in my riding?

Mr. Speaker: The hon. member will allow me to suggest that questions of this type are normally placed on the order paper. If there is real urgency, the question could be debated at the time of adjournment, and I undertake to see that it be considered as soon as possible.

Mr. Fortin: At ten o'clock, Mr. Speaker.

AGRICULTURE

DAIRYING—POLICY REGARDING GRANTS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

As he must announce soon the government dairy policy, will he stop discriminating against farmers from eastern Canada by re-establishing the $10 million grants he cut from his estimates—

Mr. Speaker: The hon. member will admit that this question is out of order in those terms.

Mr. Asselin: Mr. Speaker, let me put it another way.

Could the Minister of Agriculture say whether, when he formulates the new dairy policy, he will think of the farms of eastern Canada and grant them the $10 million they have been asking for for a long time?

Mr. Speaker: I think that the question has already been put in this way; however, the minister might perhaps answer it, considering the importance of the matter raised.

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, an announcement respecting the details of the dairy policy for the 1970-71 dairy year will be made next week, I hope, but certainly before the end of this month.

GRAIN

WHEAT—MAXIMUM DELIVERY QUOTA PER SUMMERFALLOW ACRE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, might I direct a question to the Minister without Portfolio in charge of the Wheat Board. Does the government intend to have an absolute maximum delivery quota of eight bushels per summerfallow acre regardless of the participation of farmers in the scheme or disappearance of wheat out of storage stocks held by the Wheat Board?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, in the statement announcing the program to the House it was indicated that the eight-bushel quota was based on an assumption that the eligible acres for delivery of wheat would total 53 million, and should the eligible acres fall as short as 47 million there could be a non-bushel quota.

Mr. S. J. Korchinski (Mackenzie): I have a supplementary, Mr. Speaker. On the basis of the fact that the minister has indicated there was an assumption about the quota and in the event that the deliveries do not reach the eight-bushel quota and we do not reach the 250 million bushel delivery figure, will last year's summerfallow be taken into account in full in order to add a further quota?

Mr. Speaker: Order, please. The matter seems a bit complicated. It would seem to me that the question as asked has hypothetical overtones. I wonder whether the hon. member might like to rephrase the question.

Mr. Korchinski: I would be quite prepared to do so, Mr. Speaker. I can quite understand why Your Honour is confused over the whole thing because there are no regulations at the moment. Because of the fact that there is an assumption on the part of the minister that there will be a certain acreage quota reached, will last year's summerfallow be taken into account in whole rather than the 25 per cent that he presently takes into account in granting some people extra quotas under the system he has announced?

Mr. Lang: No, Mr. Speaker. There is no contemplation of changing the degree of participation of last year's summerfallow for quota purposes. On the other hypothetical part of the question I am perfectly satisfied our hypothetical answers to date are adequate.

Inquiries of the Ministry

POLLUTION

PHOSPHATE DETERGENTS—ASSISTANCE OF INDUSTRY TECHNICAL STAFF IN RESEARCH

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, this question is directed to the Minister of Energy, Mines and Resources. In view of the offer from the soap industry to lend their technical staff to the minister's department to assist in developing pollution control measures, will the minister say whether the offer of such assistance has been accepted?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, so far as I am concerned to date the offer is no soap. We have our own officials and experts and I think they are quite adequate.

Mr. Skoberg: Mr. Speaker, in view of the urgency of this matter to the people of the nation, would the minister say whether he would consider joint research being undertaken by the department and the soap industry which has a say in this situation?

Mr. Greene: Mr. Speaker, our officials have attended at the laboratories of the soap industry. We have seen what they are doing. Our own people are working very hard in respect of the research that is necessary, and I am quite convinced on the detergent question that the industry, faced with the need of intensifying their research to come up with phosphorous-free detergents, will be able to do the job in their usual effective way.

PHOSPHATE DETERGENTS—RESEARCH ON FORMULA N

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a supplementary question, Mr. Speaker. May I ask the minister whether or not formula N discovered by Professor Phillip Jones of the University of Toronto is being subjected to research by the department?

Mr. Speaker: Order, please.

Mrs. MacInnis: Would you please tell me, Mr. Speaker, why that is not a legitimate question?

Mr. Speaker: I might say that the question puzzles me no end. I have some doubts whether it is a matter of urgency. The hon. member seems to think it is, and in view of the fact that we are celebrating her particular day I am sure the minister will be anxious to answer at this time.

Inquiries of the Ministry

Hon J. J. Greene (Minister of Energy, Mines and Resources): We will attribute this answer to St. Patrick, and any shortcomings there may be in it will be his responsibility.

Formula N is, I understand, a patent formula, and my instructions are that to date the professor has been rather reluctant to provide his formula for public research until his patent rights are established.

SECOND VOYAGE OF "MANHATTAN"—LIST OF REQUIREMENTS

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Transport. Would the minister, on motions tomorrow or the next time he is in the House or in answer to my question now, make a statement concerning the *Manhattan* with regard to the regulations, the amount of the bond, the date of sailing, and other pertinent information?

Hon. Donald C. Jamieson (Minister of Transport): I would be very glad to do so. In fact, had I not missed the call for motions I would have given the House a partial list of the requirements today. I will be glad to table it in the House, if there is agreement.

Mr. McCleave: Mr. Speaker, I rise on a point of order. The minister has indicated that he would have made a statement on motions if he had not missed the call. I think he has requested that Your Honour ask for unanimous consent to revert to motions.

Mr. Speaker: I am not sure the minister is asking for that. Even at this moment he seems to have some doubt. But certainly if the minister wants the House to revert to motions, it is up to the House to decide. Is that the minister's request?

Mr. Jamieson: No, Mr. Speaker. What I did—I guess it is the effects of all the joy and so on emanating from the other side on St. Patrick's day that have caused the confusion—was to ask permission to table the first set of requirements for the *Manhattan*. It is not a statement, but I will be glad to make this list available.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Baldwin: We are always being disappointed.

Mr. Nesbitt: Mr. Speaker, I rise on a point of order. Would the minister agree to having the list appended to *Hansard*?

[Mr. Speaker.]

Mr. Jamieson: I have no objection.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For list of requirements, see appendix.*]

FISHERIES

CANADA-U.S. DRAFT AGREEMENT ON FISHING PRIVILEGES

Mr. Frank Howard (Skeena): I should like to direct this question to the Minister of Fisheries and Forestry. What is the current status of the draft agreement with the United States about reciprocal fishing rights in each other's fishing zones?

Hon. Jack Davis (Minister of Fisheries and Forestry): The matter is going to come up before cabinet later this week.

POST OFFICE

MONTREAL POSTAL DISPUTE

Mr. Heath Macquarrie (Hillsborough): I had a question for the Postmaster General who is on the roster for today but not in the House. Perhaps the acting minister might answer it. Could he advise whether anything is being done to resolve the dispute which has been dragging on in Montreal since February 3 in connection with the delivery of parcels and mail?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I will be glad to take the question as notice.

Mr. Speaker: Order, please. The hon. member for Charlevoix on a point of order.

[*Translation*]

Mr. Asselin: Mr. Speaker, on a point of order.

Since the Postmaster General and Minister of Communications should be here this afternoon according to the roster system, I should like to know if the government house leader would not make a special effort to summon him to the House to answer the members' questions concerning the postal dispute in Montreal, which has been deteriorating in the last couple of days. I would ask the Government House Leader to see to it that at the end of this sitting, at least, the Postmaster General comes to the House today as he is expected to according to the roster system.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question for the Acting Prime Minister. Can he tell us whether the Postmaster General has resigned his post or has he been asked for his resignation by the cabinet, which is the rumour going around the Press Gallery.

Mr. Greene: What are you doing hanging around there? It is no place for a young fellow like you.

NATIONAL DEFENCE

PHASING OUT OF MEAFORD TANK RANGE

Mr. P. V. Noble (Grey Simcoe): I should like to direct this question to the Minister of National Defence. Is it the intention of the government to phase out the Meaford tank range?

Mr. Speaker: I am not sure this question should be asked at this time. Perhaps the hon. member might consider giving notice that he wishes to have it considered at the time of adjournment.

CANADIAN NATIONAL RAILWAYS

EASTERN NOVA SCOTIA—LAY-OFF OF MAINTENANCE OF WAY EMPLOYEES

Mr. H. Russell MacEwan (Central Nova): I have a question for the Minister of Transport. Has he received a reply as yet from the Canadian Transport Commission regarding the investigation into the matter of the safety factor in connection with the lay-off of CNR maintenance of way employees?

Hon. Donald C. Jamieson (Minister of Transport): No, I fear I have not, but I will jog some memories on it and see whether I can get it for the hon. member in the next week or two.

NATIONAL DEFENCE

USE OF CANADIAN AIR SPACE BY U.S. AIR FORCE

Right Hon. J. G. Diefenbaker (Prince Albert): I wish to ask the Minister of National Defence whether he is in a position to make a statement in respect of the use of the airways and air space of Canada by the United States Strategic Air Force, or a portion of it, in connection with exercises?

Hon. Léo Cadieux (Minister of National Defence): It was not my intention to make a statement. We have put out a press release today. This is the normal operation which flows from the understanding with the United States authorities.

Mr. Diefenbaker: Is that understanding under the provisions of NORAD or outside of the purview of NORAD?

Mr. Cadieux (Labelle): I believe it is within the general agreement pertaining to NORAD.

Mr. Les Benjamin (Regina-Lake Centre): May I ask the minister a supplementary question. In view of the Canadian authorization to the United States permitting Strategic Air Command to carry out low level training flights over Saskatchewan and Alberta, will the government consider advising the U.S. authorities that Canadian observers must be placed on board each flight and stationed at each of the ground installations in order to ensure that these planes carry no armaments and follow strictly the flight plans that have been filed with Canadian authorities?

Mr. Cadieux (Labelle): I believe we have very good procedures that have been followed in the past and are being followed now. The Canadian authorities, of course, have complete information regarding the flight plans and proper altitudes. Everything is regulated, and I do not see any reason for departing from previous arrangements which have proved satisfactory.

Mr. John Burton (Regina East): Did the Canadian government, prior to granting approval for Strategic Air Command training flights over Saskatchewan and Alberta, obtain assurances that personnel under training would not be used in the Viet Nam hostilities?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What nonsense!

EXTERNAL AFFAIRS

INQUIRY AS TO WHITE PAPER

Mr. G. W. Baldwin (Peace River): I have a question for the Prime Minister who has just come into the House. I can tell him that during his absence we were dealing with one of the lesser luminaries; we were discussing St. Patrick. Can the Prime Minister tell the House when it may definitely expect to receive the white paper on foreign policy, and will he give an indication as to its format and the areas of concern it may be expected to cover?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): I may say, with regard to the areas of concern, that the Secretary of State for External Affairs has indicated on previous occasions that the white paper would be quite general in nature and that it would cover various aspects of Canada's foreign relations. With regard to the timing I can only repeat what he has said. He would like the white paper made public before the end of the session.

REPORTED CHARGE OF NON-INVOLVEMENT IN WORLD AFFAIRS

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. In light of a recent statement in a review of international affairs by Professor Peyton Lyon that Canada is taking "giant steps in the direction of continental isolationism and that cutbacks in the commitments of NATO and budget cuts in the department would indicate Canada is hellbent on a policy of non-involvement in world affairs"—

Mr. Speaker: Order, please. Would the hon. member put his question.

Mr. Baldwin: I recognize that the preamble to my question was lengthy. Will the Prime Minister say if there is any substance to this charge, and will these allegations be dealt with in the white paper.

Mr. Speaker: I do not think that the question as asked is in order.

Mr. Baldwin: May I put another supplementary question and try to come in the side door.

Mr. Trudeau: Take your time.

Mr. Baldwin: Thank you. Be my guest. In the light of recent experience of Canadian legislators in Washington when it was found that virtually all American Congressmen were amazed to hear of Canadian claims to Arctic waters and there was no knowledge that the Secretary of State for External Affairs had even advanced any claim in this regard, does the Prime Minister not feel that he must learn to speak out loudly and clearly on such issues and that our voice must not be muted?

Mr. Speaker: Order, please. The hon. member is entitled to make only one speech in asking a question. The hon. member for Greenwood.

[Mr. Baldwin.]

CYPRUS—SPECIAL MEASURES BY UNITED NATIONS FORCES BECAUSE OF INCREASED TENSION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Minister of National Defence and I apologize for not giving him notice of it. Have recent events, including the attempted assassination of Archbishop Makarios and the murder of the former minister of the interior and defence and the consequent tension in Cyprus, necessitated any special measures or precautions on the part of the United Nations forces in the island, including our own troops?

Hon. Léo Cadieux (Minister of National Defence): Not specifically, Mr. Speaker, although we have been following the situation that has developed over the past few weeks very closely. No doubt if there were a change of emphasis on the part of the United Nations, Canada naturally would respond to whatever request was made. There is no indication at present that the situation warrants an increase in the number of troops we have there.

[*Translation*]

POST OFFICE

MONTREAL POSTAL DISPUTE

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Prime Minister.

As the Postmaster General and Minister of Communications said yesterday that a report on the present postal dispute would be submitted to the cabinet, is the Prime Minister in a position today to tell the House whether the cabinet has made some decision about this dispute?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the cabinet has often made decisions. It has studied the question many times. The Postmaster General and Minister of Communications has been doing his best for several months to implement the policy adopted by the government. The situation is a difficult one. The cabinet meets often to discuss measures to be adopted.

Mr. Fortin: Mr. Speaker, I have a supplementary question.

I would ask more precisely the Prime Minister to tell us whether, at the last cabinet meeting, any decision has been made and, if so, if it tends to maintain the present government policy in connection with—

Mr. Speaker: The hon. member knows he is not allowed to ask any question relating to cabinet decisions.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to ask a supplementary question.

I would like to know if the Prime Minister himself or the Postmaster General and Minister of Communications will make soon, perhaps tomorrow, a statement on the steps that the government intends to take to correct the abnormal postal situation in Montreal?

Mr. Trudeau: Obviously, Mr. Speaker, I cannot say if this will call for a statement from the Postmaster General and Minister of Communications or from myself. I know that the government directly or indirectly keeps in close touch with the matter and that it acts in the best manner possible under the circumstances to bring back peace and harmony in Montreal. This does not necessarily call for a statement at this time. I do not say there will not be one, but none is anticipated at present.

Mr. Asselin: Mr. Speaker, I have a supplementary question.

Could the Prime Minister tell the House whether his government intends to take any extraordinary decisions to straighten out the situation prevailing in Montreal, which has become worse these past few days, especially since this morning?

Mr. Trudeau: Mr. Speaker, I really do not know what is meant by extraordinary decisions. I think most of our decisions have been extraordinary.

Mr. Fortin: Mr. Speaker, I have a supplementary question.

In view of the importance of that subject, I wish to ask the Prime Minister whether the government intends to get the Canadian armed forces involved in the present conflict?

Mr. Trudeau: Certainly not, Mr. Speaker.

[*English*]

AIR TRANSPORT

TRANSAIR SERVICE, TORONTO-SAULT STE. MARIE—REDUCTION OF AIR CANADA FLIGHTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. In light of recent evidence that Air Canada is planning to cut back its service to Sault Ste. Marie as a result of the decision of the Canadian Transport Commission to allow TransAir to operate a daily service between Sault Ste. Marie and Toronto, would the minister give instructions to the CTC that they enforce their earlier assurance that there will be no diminution of Air Canada flights and, failing that, would he ask the CTC to review its basic decision?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, as the hon. member knows, my authority to instruct the CTC is quite limited but I would be glad to pass along his representations. My information is that the whole question is subject to review within the first year of operation of the new plan in any event.

Mr. Forrestall: A supplementary question, Mr. Speaker. Could the minister indicate to the House at what point the government will reply to the request from the government of Ontario and from other interested and affected individuals and bodies as to its general policy, particularly in relation to these supplementary services?

Mr. Jamieson: Mr. Speaker, so far as I personally am aware, any representations from the government of Ontario have been made to the Canadian Transport Commission and will be dealt with through the normal procedures of that commission. I merely offer the perhaps gratuitous information that my understanding is that the CTC has indicated the new service will be kept under review and a full-scale hearing will be held within the first year of operations.

Mr. Speaker: The hon. member for South Western Nova.

Mr. Comeau: Thank you, Mr. Speaker—

Mr. Forrestall: I wonder if I might have one further supplementary, Mr. Speaker, in view of the principle involved—

Mr. Speaker: Order, please. Perhaps the hon. member might have a supplementary but we have reached the point where I have to caution hon. members that we are running out of time.

Mr. Forrestall: Mr. Speaker, I would ask the minister whether he would find an opportunity to make an early statement to the House as to government policy with regard to permitting regional air carriers to enter into direct competition where Air Canada has indicated that they do not want to withdraw their services?

Inquiries of the Ministry

Mr. Jamieson: Mr. Speaker, the premise on which that question is posed is not, in my judgment, correct in that I do not know that Air Canada has said that it does not want to withdraw service. However, I will be very glad to explain the regional air policy on a statement on motions, or it is conceivable that within a short time I will be before the committee with the estimates of the Department of Transport and we could deal with it then, or in fact the CTC will be there as well.

Mr. Speaker: The hon. member for South Western Nova.

INDUSTRY

TEXTILES—ANNOUNCEMENT OF NEW GOVERNMENT POLICY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Has he been in contact with the provincial authorities in those areas where textile industries are affected, and when can we expect the long-awaited statement on the policy of the government with relation to the future of the textile industry in Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe my officials have been in touch with officials of all provinces but I made promises to some provincial ministers. I do not know which province the hon. member has in mind. I said I would see them before announcing the policy.

[*Later:*]

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to put a supplementary question to the Minister of Industry, Trade and Commerce.

If I remember well, the minister stated on March 20, 1969, that the report of a study on the textile industry would be tabled in the House before the end of the year. Now, the findings of that study have not yet been published. Could the minister tell us when we will obtain that report?

Mr. Pepin: Mr. Speaker, the study was completed in December last. Since then we have had consultations with the representatives of the industry, the unions and the provinces concerned. We are now drawing up that policy and we hope to be in a position to announce it in the near future.

[*Later:*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce.

In view of the present stagnation of the textile industry—there are factories in my riding and some people from the management complained to me that almost every week they must lay off employees—could the minister tell the House whether measures have been taken or will be taken soon in order to help this industry through strict import control?

Mr. Pepin: Mr. Speaker, I have answered this question many times. If the hon. member would like to co-operate with the hon. members for Sainte-Marie and Saint-Hyacinthe (Messrs. Valade and Ricard), I would be very happy to hear their advice before the policy is announced, not only after.

[*English*]

LABOUR CONDITIONS

CLOSING OF DUNLOP PLANT—EFFECT ON YARMOUTH TEXTILE INDUSTRY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Manpower and Immigration related to the question I asked him yesterday. Has he any information today on the status of the Dunlop plant, particularly as it affects Cosmo-Imperial Mills in Yarmouth?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I explained yesterday that I have been in touch with the two Ontario ministers indicating to them the nature of the conversations I had with the union representatives and suggesting we would be ready to co-operate with any working committee or task body established to investigate the economies of closure or future prospects of the plant. That is with respect to the general situation. I am still awaiting information on the specific matter he raised and as soon as I receive it I will be glad to give it to him.

INQUIRY OF THE MINISTRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Finance. In view of the min-

ister's statement over the weekend that a slight increase in unemployment might be necessary to combat inflation, may I ask the minister if he is considering resigning from Parliament and joining the unemployed so that he might make his maximum contribution in the battle against inflation?

Mr. Speaker: Order, please. I regret that I do not think the minister should be allowed to answer.

[*Translation*]

NATIONAL PARKS

POINTE FORILLON—AGREEMENT RESPECTING ESTABLISHMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development.

Considering the importance that several members attach to the development of Forillon Park and the statement made yesterday by Quebec's Minister of Intergovernmental Affairs, could the minister tell the House whether the development of this famous Forillon Park is a sure thing?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Just as the hon. member did, Mr. Speaker, I have read the statement by Quebec's Intergovernmental Affairs Minister. I am glad to see that he does not object to the Canadian government enforcing its legislation the same way in Quebec as elsewhere.

[*English*]

SPORTS

1976 OLYMPIC GAMES—ASSISTANCE TO VANCOUVER AND MONTREAL IN BIDS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, may I direct a question to the Prime Minister. Can the right hon. gentleman inform the House what role the federal government is playing in assisting both Vancouver and Montreal in their bids for the 1976 winter and summer Olympic games, respectively? In giving his reply could the Prime Minister give us some idea of the financial arrangements the government has made with these cities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a rather complicated and lengthy question to answer. The Minister of National Health and Welfare is dealing with this matter. I myself have had some exchange of correspondence with both Vancouver and Montreal. I am sure there will be no objection in due course to tabling this correspondence, if the other parties agree. I am sure also that when a decision has been taken one way or another the minister will have no objection to stating the role the federal government intends to play. But until a decision is taken on the Olympics I do not think it is useful to make any further statements.

Mr. Baldwin: The government need not issue a white paper on this.

HOUSING

AVAILABILITY OF MORTGAGE MONEY—DISCUSSIONS WITH LENDING INSTITUTIONS

Mr. John Gilbert (Broadview): Mr. Speaker, may I direct my question to the minister in charge of housing. In view of the statement by representatives of the Ontario Association of Real Estate Boards yesterday in Ottawa that there will be a substantial drop in investment moneys that banks and trust companies will lend on mortgages, is it the minister's intention to call these institutions to Ottawa to discuss this matter?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I thought I answered that question the other day but I will try again. No, there is no intention to call them to Ottawa in the present circumstances although we are in contact with each of the organizations to which the hon. member has referred on an almost constant basis.

Mr. Gilbert: A supplementary question, Mr. Speaker. Since there is $10 billion invested in pension funds, only 10 to 12 per cent of which is allocated to housing, what steps has the minister taken to divert more of these moneys to housing purposes?

Mr. Speaker: Order, please. I suggest to the hon. member that this question is of very wide import and ought to be answered by way of a general statement on motions.

TRANSPORT

RECOMMENDATIONS BY FEDERAL-PROVINCIAL COMMITTEE ON ATLANTIC TRANSPORTATION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, may I direct a question to the Minister of Transport. Inasmuch as the minister has had in his hands now for some months the recommendations of the four Atlantic premiers on trans-

port policy for the Atlantic area and as the CNR announced only recently still further increases in transportation costs, can the minister indicate when we may expect some action on those recommendations?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, to answer the first part of the question about my having the report from the Atlantic premiers, what the hon. member said is quite true. As a result of the report and in consultation with the premiers a federal-provincial committee was established with representatives from the four Atlantic provinces on it. It has now held four meetings, the most recent being the ones, I believe, of March 7 and 8. I was advised by them on Monday that they hope to give these recommendations to me within the next few weeks.

FISHERIES

CLOSURE OF ST. GEORGE'S BAY TO DRAGGERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct a question to the Minister of Fisheries and Forestry. In view of representations from a number of interested organizations indicating that foreign vessels are dragging within the three-mile limit in St. George's Bay, an operation which is tending to destroy the inshore lobster fishery, will the minister indicate what action is being taken in line with the recommendation of the chamber of commerce there that the area from Cape Anguille to Cape St. George be closed to foreign vessels?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we have one of our larger fisheries protection vessels in the area. It is making sure that these foreign draggers will not encroach on our three-mile limit within which the lobster fishery is carried on.

THE CANADIAN ECONOMY

EFFECT ON EMPLOYMENT OF ANTI-INFLATION POLICIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the minister's statement on television over the weekend that unemployment will be higher in 1970 than it was in 1969, can the minister assure the House that high unemployment areas such as the Maritimes, Eastern Quebec and the Prairies will not suffer from even higher unemployment in 1970 as a result of the government's anti-inflation policies?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is of very wide import. It is of a very general nature and is not the type which ought to be asked or answered at this time.

Mr. Baldwin: Mr. Speaker, it seems that the minister is quite prepared to answer.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Monday, March 16, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that this House approves in general the budgetary policy of the government, the amendment thereto of Mr. Lambert (Edmonton West) (page 5051) and the amendment to the amendment of Mr. Saltsman (page 5065).

Mr. Ross Whicher (Bruce): Mr. Speaker, yesterday the hon. members of the NDP sought to minimize the dangers of inflation by saying that really inflation poses no dangers at all and that there is no danger of our pricing ourselves out of world markets. The financial critic of the NDP said copper prices had increased substantially, yet we still sell copper; nickel prices have increased, as indeed have the prices of all other raw materials, by a considerable percentage, yet we have no trouble in selling these commodities on the markets of the world. I most respectfully point out to the NDP through you, Mr. Speaker, that there is indeed a great danger, we shall price ourselves out of world markets if the terrible curse known as inflation is not stopped very shortly.

I ask my hon. friends to the left, is there not a danger of pricing ourselves out of the market for heavier machinery? Look at the Japanese steel that is invading our markets, even though we have some of the world's finest steel workers in Hamilton and other Canadian centres. Look at the competition in the automobile market. These Volkswagens we see running around come from Germany and our people are buying them because they are cheaper than other cars. Clearly, we are

pricing ourselves out of the world automobile market. That is why inflation must be stopped and that is why I agree with the government's policy relating to tight money. As a result of those policies there may be some unemployment in the country; bad though that may be for those who are unemployed, it would be even worse for the country if unemployment were to grow. If prices are allowed to go even higher and if inflation is not checked, unemployment will become greater. We shall not be able to sell our goods and services on the markets of the world or even in this country, because so many cheaper foreign imports will enter Canada. Also, we shall not be able to export.

Members of the opposition suggest the Minister of Finance (Mr. Benson) has not done a good job in his budget because pensions for veterans and old people have not been increased. I think all members of the House wish pensions to be increased. We all know old age pensioners receive too little money. Most of us would like to double their pensions. But can any member of the opposition tell us where we are to get the money with which to increase these pensions? To be fair and reasonable, opposition members should suggest where the money is to come from.

An hon. Member: From the $250 million surplus.

Mr. Whicher: Someone on my left said something about a surplus. I believe the members of the NDP suggest that exemptions from personal income tax should be $2,000 for single persons and $4,000 for married.

Some hon. Members: Hear, hear.

Mr. Whicher: Mr. Speaker, I think any representative of any Canadian constituency wishes that could come about.

An hon. Member: Then, vote for it.

Mr. Whicher: In the white paper the government has introduced, it is suggested that there be exemptions of $1,400-$1,500 for single people, if you take into account charitable donations, and up to $2,900 for married people. These deductions will cost the government approximately $1 billion. The Minister of Finance tells the people of Canada in the white paper proposals where he expects to get this money. Whether or not, we agree with these proposals, they are in the white paper. The minister proposes to obtain the money by increasing taxes for the middle income group and by imposing a capital gains tax. My hon. friends to the left have suggested there should be a $2,000 exemption for single people and a $4,000 exemption for married people. I ask them in all sincerity where they think the government is going to get the $1½ billion that this would cost the government in tax revenues. The government cannot continually print money.

There has been a lot of talk about the surplus we have this year. I do not say it boastfully, but this is the first surplus we have had for a long time. As a citizen of Canada, I am sick and tired of continual deficits. I ask hon. members to look at the amount of debt in Canada today. Of the amount required to run the country this year, 14.1 per cent will go towards paying the interest on the debt, but nothing off the principal. This amount is equal to that spent by the Department of National Defence. It is a large amount of money. Therefore, I am glad we have a $350 million surplus. If hon. members calculate this amount at 8 per cent, they will see that approximately $28 million in interest will be saved this year.

Mr. Broadbent: Will the hon. member permit a question?

Mr. Whicher: I will when I have finished. I have not got too much time. I point out that the Minister of Finance will have an additional $28 million to spend next year which he otherwise would not have had. I think it is irresponsible when people try to make headlines in the papers across Canada or receive publicity on television by saying that they want a $2,000 exemption for single people and $4,000 for married people. Everybody wants that. My question is, why do they stop at $2,000? Why not make it $3,000 and $6,000? Figures are easy to throw around when you have no responsibility for governing the country, and no hope of ever governing the country in the future.

Some hon. Members: Hear, hear!

Mr. Whicher: I consider this to be irresponsible criticism by my friends to my left. I respectfully ask them to tell us where we are going to get the money in order to allow these deductons.

In my opinion, the financial critic of the Conservative party did an excellent job yesterday. His main theme was that the federal expenditures were not under control. He pointed out that this year we would be spending approximately $900 million more than we did last year, even though the present govern-

ment has said they are attempting to cut expenditures. If the hon. member for Edmonton West (Mr. Lambert) had wanted to be fair, he would have said that the great majority of that amount is for fixed expenditures over which this government has no control whatsoever. We, in this country, are in a bind, Mr. Speaker, and we have to do something about it. The most important word in Canada today for politicians, whether at the federal, provincial, county or municipal level, is the word, no. For too long governments have said, yes, yes, yes to every request the people have made. Now, we have these huge expenditures which, to a large extent, are uncontrollable. I refer to the national debt and programs such as medicare and hospitalization. I agree that these programs are necessary, but they have to be paid for. This is one reason government expenditures are going to be $900 million higher in the year ahead.

The Prime Minister (Mr. Trudeau), the Minister of Finance and the present government are attempting to control expenditures in this country. Since the time of Confederation, not just in Canada but in all the western world, the number of civil servants has increased by approximately 5 per cent every year. A government which will say we are not going to have additional civil servants to run this country deserves a medal. When the government decreases the number of civil servants by 10 per cent, they should receive two or three medals. This is what this government has done.

Some hon. Members: Hear, hear!

Mr. Whicher: In my opinion, the government has achieved this objective in a dignified way. The government has had many problems to tackle. Removing the *Bonaventure* from operation was no easy task after millions of dollars were spent on it, not by this government but by a former government.

An hon. Member: A former Liberal government.

Mr. Whicher: A former Liberal government is right. I am not proud of the fact that this money was spent on it, but I am proud of the fact that this government has had the guts to say we cannot afford it and has put it in drydock or done something with it. The government finally has had the initiative and the courage to say no. There are other matters also.

At one time I agreed with those people who were opposed to the government's decision to withdraw half of our troops from NATO. Personally, I thought the government was wrong. I felt we had an obligation to help our friends in NATO. However, I say to hon. members that those troops have been there since 1945. How long do you want to keep them there? Should they remain until the year 2,000? They have to be brought back some time.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member who has the floor should be allowed to make his remarks.

Mr. Whicher: I don't mind the interruptions.

Mr. Horner: Will the hon. member permit a question?

Mr. Whicher: I would be glad to, particularly from my hon. friend, but I do not have time.

Mr. Horner: My question will be brief.

Mr. Speaker: Order, please. The hon. member has only three minutes left.

Mr. Horner: And that's too long.

Mr. Whicher: As I pointed out, whether we agree with the withdrawal of the NATO troops from Europe or not, it is a retrenchment as far as expenses are concerned. The members of the opposition say the government should not do this. They say, keep on spending money, the sky is the limit; you can go to the Bank of Canada and print bond after bond. Then, they condemn us for raising taxes all the time. They cannot have it both ways, Mr. Speaker. If we are going to cut down taxes, we have to cut down expenditures and this, within reason, is what the present government is attempting to do. I think they deserve credit for that.

Hon. members to my left know that I do not always support what the government does, but I think the Minister of Finance and the government are making a genuine effort to control expenditures in a most difficult period. I agree with the financial critic of the Conservative party that in spite of the fact we have cut back, maybe not as much as we should, inflation is still a terrible curse to this country.

Mr. Horner: Who started it?

Mr. Whicher: It may have been us, but it is still a curse, regardless of who started it.

With all respect to the Minister of Finance, controls are needed to combat inflation. We must have wage and profit controls in the same way as we did during the last war because, in my opinion, financially we are in a greater crisis now than at that time.

• (3:10 p.m.)

Mr. Speaker: Order. The hon. member's time has expired, but I understand that the hon. member for Crowfoot would like to ask him a question. This can be done only with unanimous agreement of the House, since the hon. member's time has expired.

Some hon. Members: Agreed.

Mr. Speaker: There is one "no". The right hon. member for Prince Albert.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I regret very much that there were not more ministers in the House to hear the speech of the hon. member for Bruce (Mr. Whicher). It is difficult to understand why, when we are debating a matter affecting the lifeblood of this nation, there are in the House at this time only four ministers of the Crown.

Some hon. Members: Shame.

Mr. Diefenbaker: This is indicative of something that I intend to deal with a little later on, namely the contempt that is shown Parliament by this government. In an apparent endeavour to emasculate the institution, when members speak on a matter as important as the budget, ministers are not present in the House.

The hon. member who has just concluded spent a great deal of time preparing his speech. He has had long experience in the legislature, and whether I agree with his viewpoint or not, he has a viewpoint to express. I deeply resent the attitude of the government members in not being present to listen to the remarks that he had to make.

I am not going to deal at any length with the budget because it does not exist. It is a model of fatuity which reminds me of a certain medical remedy, the placebo; a medicine that is given to humour rather than to cure disease.

With great respect to the Minister of Finance (Mr. Benson), whose virtuosity is notable, I could give no better description of this budget than to use the words of Abraham Lincoln when, in 1858, he described a budget by saying it, "was as thin as the homeopathic soup that was made by boiling the shadow of a pigeon that had starved to death."

It is of interest to note that nothing is said now of the just society? Have you noticed that, Mr. Speaker? That was the slogan, but the other day the Prime Minister (Mr. Trudeau) said the time has now come to use that expression no more. The reason is obvious and apparent. A new slogan, which has not yet been developed as far as I know, is needed at this time.

Hon. members will be interested to know that in the book written by the Prime Minister and another entitled "Two Innocents in Red China", in describing how the communists operated he said:

> The government never ceases to contrive new activities to keep hands and minds occupied. Long before one slogan has lost its force, another is invented—

Invented—that is a good word.

> —to whip up popular enthusiasm. In this way the communist party always has ready some new triumph to astound the people.

The just society: let us sum it up. It has given Canada the highest disregard for parliament in the lifetime of this nation. The just society has given Canada the highest spending, the highest taxes, the highest cost of living, the highest accumulation of unsold wheat, the highest neglect of the prairie provinces, the highest lack of consideration for veterans and their dependants and the aged. No one can deny that.

Today the government speaks of a budget surplus. Yet, what is being done to meet the situation of the old age pensioner in this country who today is no longer receiving charitable assistance but who has paid for that which he receives? I speak as one who has not accepted the old age pension.

I should like to refer to some figures that appeared in this morning's *Globe and Mail*, and I want to get through this portion of my remarks as quickly as I can. With regard to the 4 per cent tax on taxable income to a maximum to $240 per person per annum, the amount that the minister expects to raise in 1970-71 is $1.17 billion. Other sources of funds for old age security will be $600 million from a portion of the federal sales tax, and $230 million from a 3 per cent levy on corporation income tax.

As a result, this year $1.905 billion will be paid to the elderly. What about the $95 million of the old people's money which is part and parcel of the $250 million surplus?

Why is this amount not used to help 785,000 of the weakest among us, that elderly group that requires supplementary assistance to survive? If this amount were used it would mean an increase of $10 per month immediately. I ask the minister when he speaks to give some hope to these people who today find themselves hedged in by the legislative enactment of this parliament with only a 2 per cent additional allowance year by year as the cost of living rises today at a rate that fluctuates between 4 and 6 per cent. Their situation is serious.

It is difficult to get this government to realize how bad the situation is in western Canada. Business failures in Saskatchewan are double what they were last year. What action is the government taking in this regard? The hon. member for Saskatoon-Humboldt (Mr. Lang) makes periodic peregrinations into western Canada and leads the people to believe that something effective is going to be done. But nothing is being done. I should like him to rise in this House and engage in some of the fiction that he places before the western farmers.

The western farmers have before them their earnings for the last two years. These they cannot touch. It is as if they were entirely burglar-proof. They can look at their earnings but they cannot touch them. Is it any wonder there is an aroused feeling, having been told by the members of this government in the 1968 election campaign: "If you produce the wheat, we'll sell it"? The government has done nothing effective. The government has taken the attitude of the Prime Minister who when in Winnipeg, with that customary sway of the right arm and turn of the head, said: "Do you expect me to sell wheat?" As a result of this attitude on the part of the government the farmers are in a desperate position.

• (3:20 p.m.)

I am not at this moment going to discuss the Wheat Board except to say it was set up by a Conservative government and deprived of its power on two occasions by successive Liberal governments. I think the time has come to add additional members to the Wheat Board. There should be a representative of the governments of each of the three western provinces to assure that extra effort and to impress upon the board the necessity for action. Secondly, I point out what I did yesterday, I would like to see the Minister of Finance get in touch with the banks who are today exacting the last pound of flesh they can get in respect of loans made under the Farm Improvement Loans Act, the rate of interest thereunder being 5 per cent. When the due date arrives and the farmers cannot pay because there are no wheat sales, they are being asked—coerced, I should say—to sign renewal notes at 9 per cent, 9½ per cent and even more. It is difficult to understand why, when the great and powerful interests do this, this government seems prone to take no action to preserve western farmers and agriculture in general.

I am not going into the question of international affairs today. But, I must say that, go where you will, in all parts of the world, and you will find that Canada today occupies the lowest position in international prestige that she has in our lifetime.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Yesterday I asked the Secretary of State for External Affairs (Mr. Sharp) about those monumental words he uttered on T.V. the other day that morale is low in his department. Is there any wonder? I asked then whether he had a suggestion as to what might be done in order to improve it, and he smiled. I might suggest that his resignation would have that effect, Sir.

In so far as the white paper is concerned my opinion is that it is the greatest hoax of our history. What the government of Canada has done is place this white paper before the people to get them aroused. The number of letters and other communications that have been received by the minister is so great that it has taken him a whole month not to answer the question which I placed on the order paper on February 18. Surely, with the large staffs that Ministers have today as a result of the multiplication in numbers of the intelligentsia that permeate into every part of the various departments, they would be able to secure somebody who could count. There are so many of the intelligentsia, and I refer to them that way because that is what they call themselves—intellectuals—in the Prime Minister's office there is the suggestion that they are going to get a badge with "PET" on it so they will be able to identify one another.

The hon. member for Bruce (Mr. Whicher) did not deal with the white paper. I would like to have heard from him how the small businessmen in Bruce are reacting to what is going to happen to them. During my term

of office the portion of the profits that was subject to the lowest rate of corporation income tax was raised from $20,000 to $35,000. Under the white paper proposals, profits over $20,000 will be subject to the higher rate than the minimum. I do not know how many people have written to the minister, but even his own members are disturbed. One of them wrote his constituents on the subject, saying he had gone all over the constituency and could only find one person who was in favour of the white paper. He is going to turn that letter over to the minister to be framed for posterity. If the minister would only announce the withdrawal of the white paper now he would do more for Canada, for Canadian morale and for the future of this country than anything else he could do.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Today I wonder what the objective of the white paper is. I have read what the Prime Minister said in London on January 13, 1969 when he gave his view and his testimony to Canadian university students in the United Kingdom. One of the questions was this:

> What society would you choose to make Canada? Socialist or capitalist?

Well, he had only graduated recently from the socialist party, so I can understand he had some difficulty in disassociating himself completely. This was his answer:

> Labour party socialist—

This is the Prime Minister of Canada answering that question, which society he would choose and he refers to the Labour party socialist. He went on to say:

> —or Cuban socialism or Chinese socialism—socialism from each according to his means.

And then the questioner said:

> From each according to his ability, to each according to his need. Would you support that?

The Prime Minister said:

> Yes, in theory, but not entirely in practice.

Then, he went on to say it cannot be done today. He said:

> —I think in history there have been some small communities who have done that, and I support this and admire it. I do not think it is workable under present circumstances.
>
> There is still a lot of hate and violence and injustice and inequity and racial discrimination which we shall have to overcome before ever reaching such a state. But if you ask me if it is an ideal, a beacon, something which the world should have, yes I think it is.

Analyze those words, consider the effects of the white paper, and then come to your own conclusion.

I am sure the Minister of Finance has never read this, but it should be required and compulsory reading.

Mr. Benson: You have never read the white paper.

Mr. Diefenbaker: Have you read it? Oh, the minister has read it.

Mr. Speaker: Order, please. I certainly do not want to interrupt the right hon. gentleman, but I must remind him, and he does not have to be reminded, of course, that he should address himself to the Chair.

Mr. Diefenbaker: Mr. Speaker, when I see the attractive countenance of the minister over there, with that suavity that he possesses, it is hard to resist referring especially to him. I should not have put it that way. I should have put the question through you to the minister; do you have this view and have you come to this conclusion?

The Prime Minister then said:

> I do not think it will ever reach it, and I do not think it should use violent means to reach it, because all this is a question of psychology in lay terms, but if we were only saints we would have this society, but we ain't.

Is that not an amazing series of statements —unbelievable. Read the Toronto *Star* of that date I mentioned in order to get the gospel according to St. Peter.

• (3:30 p.m.)

I have been here in Parliament a long while, and there is nothing greater that any of us could obtain than to be regarded by fellow members as a child of Parliament, of this institution. It has been said that Parliament was made for man, not man for Parliament. In government, however, only with government by discussion can there be government by reason. It has often been said how efficient a dictatorship is and how Hitler was able to do this and Mussolini do that; but while they were doing it freedom was lost. Parliament consists of the Queen, the Senate and the House of Commons. The Prime Minister is a political leader and not the head of state. I may not agree with the Prime Minister's policies, but as one who knows something of the position, I respect him both personally and in the position which he holds. I have refrained from saying what I am about to say because I have waited month after month

to ascertain what is actually happening here, and what objective the Prime Minister has in flouting Parliament as he does. What is the objective? I thought first the reason was that experience usually is required to hold the position of Prime Minister. The normal number of years in Parliament of men who become Prime Minister of Canada, I think is something like 17 years, and just a little higher in the United Kingdom.

For months I have felt that the image of this institution was being forced down and down. Tell me, sir, where this Prime Minister of Canada once spoke of this institution and what it means. An institution cannot be built unless the person who is Prime Minister upholds it at all times.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I supported some of the rule changes, but not all. Those that were effective I believed in, and others I opposed. Two years ago I sounded a warning that if we accepted these rules we would actually destroy this institution. But members drank from the poisoned chalice that the government brought before them; they accepted it. On February 28, 1968 the Prime Minister said that the government, as long as it is the government, has the choice of deciding the manner in which it wishes to govern. Sir, no Prime Minister can exercise the right to determine the manner of governing without destroying this institution. These expressions, "participatory democracy", "just society" —does the House know who used them first? Mao; these are Mao's words.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I shall not mention any member, but some members have spoken out against the policy of being mere pawns who shall speak and not be heard. In 1956, this Parliament was over-run roughshod. In 1968, the Conservative Party accepted the large number of changes in the rules. It fought rule 16A, and finally 16A was withdrawn and the government obtained the other rule changes. Some thought I was wrong when I opposed many of these changes. As soon as the government was able to secure 16A what did the Prime Minister do? He made the statement that the trap was set and the opposition fell into it. That is not the way to treat Parliament. Then, a few months later, by action of closure, whatever rights remained to private members were virtually ended by the vote of members across the way who joined in applying a halter to the head of Parliament. Sir, it is contempt of Parliament to act in this way. Parliament is not show business. I am amazed at the answers given to questions by members of this government. I admire the capacity to answer questions in both languages which the Prime Minister possesses, but how does he treat the members of this House? He snaps his fingers. Parliament deserves better than that.

Parliament has the right not to be given flippant and unworthy answers. Today, the Speaker of this House is tied by the rules. The question period has become ineffective and innocuous. Nothing controversial may be said by members sitting opposite the government—nothing argumentative. The new rules have paralysed this House. I shall not read from the British *Hansard* but, in summary, questions in the British House are placed on the order paper in writing and then supplementary questions begin. That is when the government is required to answer. Today, this government hides behind the rules, gives answers, and then when faced with a challenging question that question is out of order because, apparently, we have established rules which have the effect of rendering this institution innocuous. Is it any wonder there are few members present? I want to make clear that they did not leave after I started to speak today; they left before. I think of a Liberal leader in the United Kingdom. I shall not name him. They called him the "chamber-maid". Every time he got up he emptied the chamber. The Minister of Finance knows to whom I refer. The members are absent.

When this institution becomes a place in which there is no difference of opinion it will die. I am forced into the opinion that what is happening is that while the government gives to Parliament a kiss of approval it is a Judas kiss because it is placing this Parliament in a position where across the nation people say, "What do you do there"; "What is it". This is the institution that represents the freedom of you and me, sir, and every Canadian. It is being pushed down and down while at the same time the Prime Minister makes statements such as this statement he made on February 4:

> I might add that as far as I am concerned it is true that I am going to establish a presidential system and this is why I always address you as Monsieur le Président and not Monsieur l'Orateur.

The question period is totally ineffective. When the members of the government answer questions which they think they answered in

error, they run outside and correct those answers on T.V. A revision is made even before the revised *Hansard* is published. We do not want this institution to be a cemetery operated by its own inmates. That is what is coming about.

• (3:40 p.m.)

What about the roster system? Look down the list. The roster system has no place in parliament, but the Prime Minister said we were going to have it. There are more ministers in the Cabinet today than in all history, and fewer cabinet ministers in the House of Commons than in all history.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: There are more ministers than ever now surrounded by more armies of assistants. Why do we sit in Parliament today? We sit to vote supply and nothing else because we have been supplanted by a group of self described intellectuals. I can almost describe them in the words of H. G. Wells as being of the Wellsian intellectual Samurai.

Wherever one goes in the world today, people will ask you about the government of Canada. They ask: "Have you a hippie government there?" I have always defended it because I do not know the characteristics of hippies. Sir, I had hoped that I would not have to speak out on this situation but I am impelled to do so by what is happening daily to this institution. The first intimation that this Parliament was going to be pushed out of existence occurred in answer to a question put by the hon. member for Annapolis Valley (Mr. Nowlan).

Mr. Speaker: Perhaps before the right hon. gentleman continues I should bring to his attention that, according to the rules, his time has expired. He may continue with the unanimous agreement of the House.

Some hon. Members: Agreed.

Mr. Diefenbaker: Thank you very much, Mr. Speaker. This was a frightful example of the way in which Parliament should not be treated. The hon. member asked on February 2, whether civil servants may make declarations on policy. I was here at the time and heard the Prime Minister answer, yes. There was no equivocation at all about the answer. Prime ministers cannot equivocate by saying yes, when they mean no. To do so is to destroy the whole basis of the relationship among Members of Parliament in the House. As reported in the *Globe and Mail* of February 3, 1970, the Prime Minister said that when heckling in Parliament gets heavy, he does not bother responding properly to questions. He said: "When the House starts running amok—I'll say yes to anything".

One begins to wonder whether, when "yes" is the answer, it means no. This kind of thing is contempt of the House of Commons. It was a flippant answer, but it was not flippant at the time it was given. I can imagine what would happen in the Mother of Parliaments if the prime minister were to say he fooled with Parliament. The Prime Minister said: "I said yes but I meant no", and the next day he wanted to change it to no. Richard Jackson said, in writing about the incident, that the Prime Minister had stated he wanted to substitute the teasing answer of yes for a more serious no. Is this Parliament or is this a seminar at a university? This is Parliament, sir. The Prime Minister is playing around with Parliament. What are the answers? Not since I read "Alice in Wonderland" as a boy have I ever heard anything like that answer. He said in effect that he said yes because he would say yes no matter what, when he meant no.

Sir, I would like to quote from that book:

> The Hatter opened his eyes very wide on hearing this; but all he said was "Why is a raven like a writing-desk?"
>
> "Come, we shall have some fun now!" thought Alice. "I am glad they've begun asking riddles—I believe I can guess that," she added aloud.
>
> "Do you mean that you think you can find out the answer to it," said the March Hare.
>
> "Exactly so," said Alice.
>
> "Then you should say what you meant," the March Hare went on.
>
> "I do," Alice hastily replied; "at least—at least I mean what I say—that's the same thing, you know."

Can you imagine, Alice in Wonderland and Parliament in Blunderland. That is what is happening here.

The passage from the book goes on as follows:

> "Not the same thing a bit!" said the Hatter. "Why, you might just as well say that 'I see what I eat' is the same thing as 'I eat what I see'!"

There is another portion in the book that I have to quote to you, sir. It goes like this:

> How doth the little crocodile
> Improve his shining tail,
> And pour the waters of the Nile
> On every golden scale!
>
> How cheerfully he seems to grin,
> How neatly spreads his claws,
> And welcomes little fishes in,
> With gently smiling jaws!

I could go on and give further quotations to indicate the kind of frivolous answers that we have received which demonstrate this attitude to Parliament.

On February 13 I asked the Prime Minister a serious question about the subject of sovereignty in the north. We asserted sovereignty during my administration, but the present government of Canada played this sophisticated juristic game of saying, to begin with, that we are not sure whether we have it. Did you ever know a litigant to go into court and say: "I do not know whether I have any rights, but here I am and I want them". This is the frivolous attitude to Parliament. I said on that day:

> Mr. Speaker, there is nothing hypothetical about the subject of Canadian sovereignty in the north. My question to the Prime Minister is simply this: Will the government of Canada insist that there shall be no such voyage without the permission of the Canadian government?

The Prime Minister answered to that:

> Mr. Speaker, we might insist that my grandmother should wear wheels,—

Of all the answers! Then he said:

> —but it is still hypothetical.

Mr. Woolliams: She might not have to have them.

Mr. Diefenbaker: Unless members in all parts of the House stand up for their rights, this institution will not much longer be the custodian of freedom. Every day the roster boys of the cabinet do not roster. Numbers of them are missing. Listen to this answer as reported at page 3078 of *Hansard* in answer to the following question to the Minister of National Defence (Mr. Cadieux) put by the hon. member for Okanagan Boundary (Mr. Howard):

> Mr. Speaker, I have a question for the Minister of National Defence but in his absence I shall direct it to the minister answering for him today.

He went on to ask the question, to which the Prime Minister replied:

> I regret to inform the hon. member that on Mondays nobody answers for the Department of National Defence.

• (3:50 p.m.)

Where are we going? I have a pile of these examples on my desk, Mr. Speaker, but I am running short of time. I will have the opportunity later in a future debate to complete the picture of the degradation of this chamber. It cannot be laughed off, and that is what is happening. I used to watch the Prime Minister with the admiration I still have for him personally, but he does not understand Parliament. There is the trouble. Now, I am beginning to see that it is very difficult to follow him in these devious ways. While pretending to support Parliament, he contributes to its destruction. Have you ever tried to follow in a paper chase? The fox drops the paper here and there in order to delude. We have that in this institution, in the flippancy of this place. What do you think of the members, the Liberal members? I think some of them might want to identify as belonging to that classical group known as "the bums". Imagine speaking of his fellow members as bums. And then the opposition, well, we should not be here.

An hon. Member: Nobodies.

Mr. Diefenbaker: We are allowed to look, we are allowed to watch, we are allowed to see. We get it without coloured glasses, too, though that is not always thought possible.

What did he say of the members of the opposition? "I think we should encourage members of the opposition to leave; every time they do the IQ of this House rises considerably." Is that the way to look at a nation —Oh, he has the support of some of them over there.

Mr. Woolliams: The former mayor of Toronto.

Mr. Diefenbaker: They laugh because that is the only way they get promotion, on the basis of the number of laughs—on the decibel meter.

Mr. Thompson: Phil, come on over and join us.

Mr. Diefenbaker: All I have to do this afternoon is place before this House the danger to this institution. I have many more examples that can be given. Every member of this House is part of this institution. Every one is the inheritor of its freedom. Freedom has gone a long way in the field of human rights in the last six months by the judgment of the Supreme Court of Canada in the case of Drybones vs. the Queen. This House now has greater responsibilities than ever before to not pass legislation containing sections, paragraphs or even lines constituting a denial of the fundamental freedoms provided for in the Bill of Rights.

All of us are creatures of this institution. It requires the dedication that was spoken of by Sir John Eliot who sat in the House of Commons under Charles I. Of him it was

said he loved his country, England, with a passionate enthusiasm which Pericles felt for Athens and he trusted the House of Commons as no one else.

Sir, you sit in the Chair that was referred to by the late Right Hon. W. L. Mackenzie King in 1921 in these words:

> The constituent elements of Parliament here represented do right in regarding the present moment as one of historic significance.

That is when the Chair was delivered.

> There are under British parliamentary institutions two symbols of authority—the Crown, which speaks of the sovereignty of loyalty, the speaker's Chair, which speaks of the sovereignty of the people. That, under the aegis of the British flag, those two sovereignties have blended into one is a tribute not less to the character and devotion to duty of the occupants of the British throne than to the genius of the British peoples in the art and science of government.

Tomorrow, in the other place, there is a conference to honour the former leaders of that place. Among them will be the Right Hon. Arthur Meighen who, on the same occasion said:

> This chair will embody for us British traditions, it will remind us from day to day, through the stern trials of the future, of British wisdom and British patience. In Canada we are not all of one race; a large part are of French descent. But I shall echo and anticipate the words of those who in the ceremony of this afternoon will especially represent French Canadians, just so far as to say that they as well as we of Anglo-Saxon blood are attached to the free institutions that we inherit from old England, that they believe as firmly as we in the essential rightness and fitness of the form of government that she developed and that now is ours.

Sir, I did not want to say what I have said. I have sat here, I have listened, I have watched, I have felt. I have been deeply concerned and am now about what is happening to this institution, for if it goes, freedom goes. That is the reason I spoke as I did today, from the heart.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this budget proposed by the Minister of Finance (Mr. Benson) last Thursday is not something new devised by the government. It is a continuation of the government's announced intention to institute a program of government restraint, government austerity. This program calls on the public sector of the economy to make all the sacrifices while it permits the private sector to go on its free and untrammelled way to make all the profits it can.

This proposal, Mr. Speaker, is one which the minister himself has admitted will mean sacrifices on the part of the Canadian people. The minister said, and I quote:

> I anticipate some increase in unemployment. There will also be difficult wage negotiations. Some of these negotiations may issue in strikes—perhaps prolonged strikes—before settlements are reached.

My colleague, the hon. member for Waterloo (Mr. Saltsman) was not exaggerating yesterday when he said that the Minister of Finance (Mr. Benson) was urging employers to handcuff their employees, was urging employers to create situations by refusal to negotiate in good faith, to create tension and to have strikes. The minister knew what he was talking about, because unemployment is rising. The minister, of course, was not alone in talking tough. The Prime Minister (Mr. Trudeau) in a press conference in December of last year said:

> If people think we're going to lose our nerve, they should think again. We're not.

Of course, Mr. Speaker, it does not take much courage for the government to handcuff employees. It is not the cabinet ministers who are going to be unemployed or suffer as a result of inflation; it is the ordinary people, those who are least able to take the increased cost of living. It is those who will be unemployed who will suffer as a result of the kind of programs this government is proposing. The minister admitted himself that the program of restraint was failing to a large extent when he said in his budget speech:

> There has been no slowing down in the rate of increase of prices and wages and other incomes. Costs continue to push prices up. Slower real growth has not yet reduced inflation.

There is no evidence and no belief by anybody except members of the government and a few of their tame so-called experts that this will happen. A commentator as sympathetic to the government as Anthony Westell, in discussing the minister's budget speech, reported in the Toronto *Star* of March 13, under a heading which I think is very apt, "Policies Will Cut Buying Power of Old and Poor", that the Minister of Finance said:

> I'm not proposing any legislation on taxes or tariffs.

Mr. Westell comments:

> But that's not the whole truth. His policies will in fact cut the purchasing power of the old, the unemployed and the other elements in the community too weak to defend their living standards.

• (4:00 p.m.)

For these unfortunate people—a million or more Canadians—Benson's figures and forecasts mean exactly the same as a tax increase.

Later he says:

But the number of unemployed will increase by up to 80,000 from the present 500,000. For these people and their families the budget forecast means a cut from a living wage to inadequate insurance.

In other words, Mr. Westell agrees with my suggestion that those who will suffer most under the proposed budget are those who can least afford to suffer. About half a million people are currently unemployed. The figures for January, 1970, show unemployment at 485,000 people, as compared with 468,000 in January, 1969. The unemployment rate for male workers in January, 1970, was at 7 per cent. Figures relating to young people show that the unemployment rate for those between the ages of 14 and 19 is 14.4 per cent. For those between 20 and 24 years old the unemployment rate is 8.1 per cent. These figures are disastrous. I find it amazing that a government headed by a Prime Minister, who comes from Quebec should embark on policies which are nothing but a bonus to the aspirations of Mr. René Levesque and his parti Quebecois. These people want an independent and separate Quebec.

The Prime Minister said that, if necessary, he is prepared to see unemployment in Canada reach a rate of 6 per cent in order to check the danger of inflation. What the Prime Minister obviously has not faced is that a 6 per cent level of unemployment for Canada as a whole means an unemployment rate of 8 per cent in Quebec, a rate which could increase to 9 or 10 per cent. All signals show that unemployment will become worse. Last year private investment in Quebec rose an estimated 3.5 per cent over the 1968 level, while capital investment in Ontario rose by more than 23 per cent. This means that unemployment, already serious in Quebec, will become even more serious. The young people of Quebec, those coming out of Quebec universities and technical schools, will not accept that rate of unemployment. What the government is doing is this: it is deliberately fostering unemployment, in order, supposedly, to hold in check galloping inflation. By increasing unemployment in Quebec, it is inviting the people of Quebec to express their resentment against federalism by voting for that party in Quebec which believes in a separate Quebec. These policies stem from the Prime Minister who was elected to foster Canadian unity. During the last election campaign the Prime Minister said that there is but one Canada. Now, his policies will destroy one Canada.

[Mr. Orlikow.]

We can see what is happening. Housing starts for January, 1970, as compared with January, 1969, are down by at least 25 per cent. If adjusted on an annual basis the housing starts for this January indicate that 158,000 homes will be built this year, whereas last year we built over 200,000 homes. This building slowdown means unemployment. We already see that there is less work. Automobile plants are closing for a week at a time. That can only mean a reduction in the purchases of steel, nickel and copper, and further unemployment or short time work in those resource industries.

The budget proposed by the Minister of Finance indicates the determination of the government, led by a Prime Minister who compaigned in the last federal election on the slogan of a "Just Society", to continue its policy of restraints in the government sector of the economy while, as I said earlier, not calling for any restraint on the part of the private sector of the economy. These policies have done nothing to stop or slow down the rate of increase in our cost of living. Figures released a few days ago show that living costs increased in one month by half a point. The increase in the cost of living last year was about 5 per cent. This increase, one of the largest in many years, has of course been felt most acutely by those on fixed incomes, the pensioners, the recipients of veterans allowances, mothers allowances and blind persons pensions, all of whom have had to bear with the 5 per cent increase in the cost of living. Old age pensions have been increased by just 2 per cent. All this has been happening at a time when the accounts of the Minister of Finance show a surplus of several hundred million dollars. The minister's name ought to be Scrooge.

I want for a few moments to deal with what I consider a deliberate, unscrupulous and unprincipled campaign that has been carried on by the government, the Prime Minister and the Minister of Finance with the active co-operation of the Governor of the Bank of Canada, the Deputy Minister of Finance and the Chairman of the Prices and Incomes Commission. The government and all these people have called for wage restraints. They have blamed the working people and labour unions of this country for

supposedly refusing to co-operate in the program of wage restraints which, it is argued, is crucial in stopping our current inflationary spiral. What the Prime Minister, the Minister of Finance and those high officials I have mentioned have not told the Canadian people is that salaries in the private sector and for the top civil servants, which include those people I have mentioned, have gone up substantially more in terms of percentages than the wages of the working people in Canada; that the incomes of self employed groups such as doctors, lawyers, engineers and architects have gone up very much more than the wages of workers, and that the profits of essential and key industries in Canada have gone up by astronomical amounts.

Let me illustrate the point. The Governor of the Bank of Canada, who has made a number of speeches about the need for restraint, was until recently receiving a salary of $50,000 a year. Within the last year, I think, that salary has been raised to $75,000 a year. I presume, although the bank has kept very quiet about this, that the governor's pension entitlement will be increased correspondingly. There is not much restraint in that kind of salary increase. I do not say he is not worth the money; yet it shows little sense for a man who has received that kind of increase to lecture people receiving $4,000, $5,000 or $6,000 a year about the need for restraint.

The Deputy Minister of Finance was making $27,000 a year in 1966. He is now being paid $40,000 a year. That represents an increase of over 30 per cent in the last three years. I do not think any worker in Canada has been able to negotiate that kind of wage increase. Yet the Deputy Minister adds his voice to those calling for restraint. The Chairman of the Prices and Incomes Commission is paid a salary of $40,000 a year, probably twice as much as he was paid when he was a dean at the University of British Columbia. I am not suggesting it is too much money, but I am suggesting that workers cannot be expected to take seriously lectures about restraint from people who do not show restraint themselves.

• (4:10 p.m.)

About ten days ago, the Chairman of the Prices and Incomes Commission made a speech in Saskatoon. I have not got the report in front of me, but I am sure I can paraphrase it accurately. He said that the whole policy of restraint would fail unless workers and their unions co-operate in the program. The same day his speech was reported in the *Globe and Mail*, a report prepared by H. V. Chapman and Associates Limited appeared in the financial section of that newspaper outlining what was happening to the salaries of executives. The article can be summarized as follows:

H. V. Chapman and Associates Ltd. reports the percentage of executives who earned more than $20,000 in salaries and bonuses rose by 9 percentage points to 40 per cent in 1969 from 31 per cent in 1968. The percentage rose by 8 points in 1966, 1967 and 1968 together.

The average increase in total remuneration was within a range of 10.1 per cent to 10.6 per cent, compared with 8 per cent in 1968, 7.9 per cent in 1967, 8.8 per cent in 1966 and 8.2 per cent in 1965.

That is what is happening to the salaries of executives in this country. Not a word has been said about this by the Chairman of the Prices and Incomes Commission, the Governor of the Bank of Canada, the Prime Minister or the Minister of Finance, all of whom are quick to lecture other people about what they should be doing. The unions representing civil servants believe with good reason that, although the government has not publicly announced this policy, it has set guidelines of 5 per cent as the maximum increases which civil servants will be permitted to get from the government as a result of negotiations. That is substantially less than the top level civil servants have received. I suggest that if the Minister of Finance really believed in the just society the Prime Minister spoke about during the election campaign, he would apply the same justice to all civil servants and not just those close to the Prime Minister, cabinet ministers and other top level civil servants. The increases in salaries at the executive level do not just apply to those I mentioned.

The increases in profits by the large companies in Canada are astronomical. Similarly, the increases in their prices are astronomical. Last year we had a good deal of discussion about the price of copper. Some weeks ago the government was gleeful because they supposedly convinced the copper companies in Canada that they should reduce by several cents the proposed increase which they announced in the price of copper. What the government does not tell the people of Canada, and tries to hide, is the fact that in the 13 months, January 1, 1969 to February 1, 1970, the price of copper rose from 45 cents a pound to 59 cents a pound, an increase of over 30 per cent, even after the government put some slight restraints on the copper companies. Is it any wonder the workers in the

copper industry think they are entitled to increases? The price of nickel rose by 25½ per cent or 26 per cent in the year 1969. No wonder the workers in that industry expect to receive higher wages.

Not only have costs risen, but profits have also risen. I wish to give just one example. I will refer to Noranda Mines Limited because they were first to announce increases in copper prices. In 1967, Noranda Mines had net earnings of $96,871,000. In 1968 these earnings increased by more than 20 per cent to $118,240,000. Net income after taxes for Noranda Mines in 1967 was $45½ million. In 1968, this increased to $52½ million. This story could be duplicated by checking the records and looking at the profits of International Nickel, Hudson Bay Mining and Smelting, Stelco, Dofasco or Algoma Steel. They are all in the same boat. So much for the policy of restraint which is being proposed by the government and the equity of that policy.

If the Minister of Finance really believes in a policy of restraint, he should begin by putting the restraint on those who can best afford it, the people who over the years have earned the largest incomes. The restraint should not be on the working people, the pensioners and those on welfare. These unfair policies are exemplified in this budget. I say to the minister that his budget and policy of restraint will not succeed in the purposes for which supposedly they have been designed. There are few economists who will agree with the government, the Governor of the Bank of Canada, the Chairman of the Prices and Incomes Commission and with the policies of the government as exemplified in this budget.

Professor Weldon, Chairman of Economics at McGill University, stated very clearly and correctly that the overriding reason for the inflation which we face in Canada is the runaway inflation in the United States. It is no secret that when the United States coughs, Canada gets pneumonia. To expect or hope to deal with inflation in Canada, and to restrain or stop price increases, when inflation is running rampant in the United States is nonsense.

The government's program will produce a slow-down in economic activity in Canada. There will not only be a slight increase in unemployment, Mr. Speaker, but the beginning of a recession which will cost the people of this country a tremendous amount of money. It will create a situation where great sacrifices will have to be made by those people who can least afford it. It will result in decreased production. What I am saying has been said much better and by much more reputable sources than I. It was said in the last report of the Economic Council of Canada. Possibly because the Economic Council of Canada has been honest, has taken its independence seriously and has called the shots as it saw them, it is having difficulty in getting government approval to hire the kind and numbers of staff which it needs. Meanwhile, others such as the Minister without Portfolio (Mr. Andras) in charge of housing and the Minister of Regional Economic Expansion (Mr. Marchand) can get all the staff they need.

• (4:20 p.m.)

Let me read for the information of the Minister of Finance a couple of sentences from the sixth annual report published by the Economic Council in September, 1969. Note how correct they were in the light of what has happened since then.

> Until some easing of price and cost increases takes place in the United States, Canadian policies to deal with domestic price and cost problems will be handicapped. Further fiscal and monetary restraint could conceivably simply result in higher rates of unemployment and economic slack with no more than marginal effects on current rates of increases in prices and costs. Moreover, tighter restraint in Canada this year is likely to have its main impact on the economy next year. And if excess demand pressures in the United States are brought under control by the latter part of 1969, the principal result of stringent demand policy restraints in Canada this year might well be seriously mistimed to push the economy into a poor economic performance.

The Minister of Finance ought to have listened to the Economic Council rather than to the Governor of the Bank of Canada or to his own deputy minister. What the Council predicted in September 1969 is happening in 1970.

In the few moments which are left to me, I want to return to the subject of the government's policy of restraint. Reports that the government has the active support of the business community need to be taken with a good deal of scepticism. The agreements made by the business community in those meetings with the Prices and Incomes Commission in February were full of loopholes. Price increases are continuing at an accelerating rate, profits are substantial; bank profits were never higher than they are today. It is not true, as has been reported, that all the provinces were in agreement with the government's policies. The submissions made by those governments disclose a great deal of

apprehension and disquiet. The provincial governments realise that they cannot hold the line; they realize that the services which they provide—schools, hospitals, roads, welfare and part of medical care—cannot be cut back and that the cost to the municipalities of providing essential services in an increasingly urban society will continue to spiral. They realize that municipal taxes in 1970 will increase as they have done in every year since the end of the war, and that in the absence of a reallocation of funds they will continue to be in a most difficult situation.

Let me quote from the submission made by the government of Manitoba to the conference of finance ministers held on February 16, 1970. Manitoba was faced by the insistence of the federal government that it co-operate in an attempt to persuade workers to accept a policy of restraint. If the latter cannot be persuaded, I suppose the next step will be to impose wage restraint, if not a wage freeze, upon the working people of this country. This is what the government of Manitoba said, and I commend this to the minister as a policy which he ought to have considered in the budget we are discussing:

> Controls must be fair in their application. If wage and income controls are necessary, then controls on excessive profits are equally required. If the worker is to be restricted in his earnings, then profits must be equally restricted. If individual Canadians are to be denied wage or salary increases above certain levels, it is only plain justice—and common sense—that profits above given levels should be denied, by special taxation if necessary.

Compare that statement with the invitation extended to employers by the minister in his budget speech to be tough in negotiations with labour, an invitation which can mean only restriction—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but I am afraid his time has expired.

Mr. Hubert Badanai (Fort William): As a rule, however good a minister of finance may be, however well he may be able to keep expenditures and revenues in balance, he can never expect praise from the opposition, not even in the unlikely event of his announcing substantial tax reductions. The budget which the Minister of Finance (Mr. Benson) presented to the nation on Thursday is the first in 20 years which did not contain any major proposals for income tax changes, and the first in 57 years without changes in tariffs, in spite of requests, some for increases and some for reductions. It is clearly an anti-inflationary budget, designed to curb the rise of consumer costs and to protect those on pensions and others living on fixed incomes. It offers a better approach to the future for the great majority of Canadians.

The Leader of the Opposition (Mr. Stanfield) could find nothing better to say than that is was "a cold-blooded effort", while the official Conservative spokesman, the hon. member for Edmonton West (Mr. Lambert) practically rested his case after describing the proposals as "cold turkey", whatever that is supposed to convey.

The budget contains measures to control the terms of consumer credit in order to reduce inflationary pressure resulting from over-spending. It provides authority to regulate the extension of credit to consumers by banks, finance companies, loan companies and other lenders. But it would not apply to credit in respect of small purchases, nor would the restrictions apply to loans for business purposes, including farming, or for loans for construction or to buy a house. Student loans for education would also be exempt.

An important feature announced by the minister was that the existing write-off of expenditures on water pollution control facilities will be extended to December 31, 1973. The cost of these efforts to control pollution will be written-off at a maximum rate of 50 per cent. These provisions will also apply to measures to curb air pollution, presumably by controlling fumes from automobiles and aircraft. The dangers from pollution have gripped the imagination of men everywhere. It is not only a national problem but one of international concern. Every level of government and our neighbours to the south must co-operate with both money and ideas in a total effort to control the menace which knows no boundaries.

• (4:30 p.m.)

Not all savings and restrictions are good. The government's drive to fight inflation by cutbacks in some departments is to be commended as an example to other levels of government of controlling excessive expenditures where savings will not impair essential services to the people. But the cutting of personnel in that section of the department of immigration which has to do with actual contact with prospective immigrants abroad, and the reduction of publicity to attract immigrants from Britain and

Europe, do not merit commendation. In my view, this economy can only produce doubtful benefits to a country that is still an empty land when one considers the drop in the number of immigrants admitted to Canada during the past 15 months.

If the government wishes to correct the impression that its immigration policy is a cold and hot water tap turned on and off according to the direction of manpower winds, it has to revert to its more realistic policy of two years ago. I cannot help but feel that our present policy in immigration is one of timidity and inadequacy. We seem to have forgotten that the main goal of an immigration policy is to promote immigration to Canada of as many persons of good character as possible and to keep out the trouble makers. A modest figure would be 250,000 a year, but certainly not less than one per cent of our total population, irrespective of religion or ethnic origin. We should also assist to the maximum degree the reunion of families, with particular consideration being given to applicants sponsored by relatives and friends.

I have a high regard for our present minister of immigration, but I am not impressed by statements to the effect that the reason for the decline in the number of immigrants from Europe is solely the improved economic conditions in western Europe. The present points system is not working in the best interest of Canada. It is too restrictive in its application to unskilled workers. There is still a great demand for them in the fields of mining and agriculture, and in the construction industry. There are some people who are opposed to large scale immigration on the ground that the job market cannot sustain any major increases; but these same people have failed to back up their conviction with any documented facts to prove their contention.

It has been estimated that 30,000 new business ventures have been started in Canada by immigrants during the past 20 years, involving some $400 million in working capital and creating thousands of jobs, to say nothing of the valuable contribution these businesses have made to the sum total of Canada's development. Fortunately for Canada, we have a Prime Minister who thinks of Canadians as individuals, as people, not in terms of their ethnic origin; a Prime Minister who is concerned with the problem of cementing Canadian unity.

[Mr. Badanai.]

I doubt whether any previous Prime Minister has been faced with the kind of difficulties that have confronted our present one, and I should add that no Prime Minister has been better prepared to deal with the problem of unity. He is equipped with the courage to admit injustices and has shown the determination to do something to correct them. I hope he will also do something about a much needed improvement in the processing and admission of immigrants to Canada, for I submit that among the forces contributing to expansion in our economy is rapid increase in population.

In 1963 when, as Parliamentary Secretary to the then Minister of Public Works, I had the privilege of visiting the Northwest Territories and the Yukon, I was greatly impressed by the visible potential for development there if only we had more people. Upon my return I submitted a report to my minister which included a suggestion for assisting immigrants willing to settle north of the 60th parallel and remain there for at least five years. Everybody thought it was a good idea, but nothing was done about it. I now wonder whether the time is opportune to encourage and promote immigration to that vast land of 1,400,000 square miles, where less than 40,000 people now live, including all the Eskimos, Indians and whites. There is a good deal more I could say about this subject, but there are a few other questions I wish to deal with on this occasion.

In his budget speech the minister dealt extensively with proposed restraints to create conditions favourable to force inflation out of the economy. He also made a brief reference to the fact that some municipalities and provinces have borrowed from United States lenders on long terms to enable them to provide needed capital for community projects, which shows that we are still in need of foreign capital for the orderly development of cities and towns across the land. We also need to expand our exports, and in this field our best customer is none other than "Uncle Sam".

Almost all of us here in this House, and almost all Canadians everywhere, must be concerned, as I am, at the anti-Americanism which is so much in evidence these days. It is like some peculiar kind of pollution poisoning relations with our neighbours. And it is strictly a one-way pollution, blowing from north to south across the border. I have never been able to detect any anti-Canadianism in the United States, where Canadians find only friends and goodwill wherever they go.

• (4:40 p.m.)

The anti-American pollution emitted in this country comes from a few extremists who seem eager to go to any excess in knocking the United States or anything American. They usually protest, of course, that their purpose is pure and patriotic. We are all familiar with their tactics—the dire warnings that the United States is ruining us, the United States is dominating us, we have no control over our affairs, our culture is being hurt.

Sometimes these people who cry about the effect of American influence on our economy and culture do prove, perhaps unwittingly, that there is a distinctive brand of Canadian humour. This fact was illustrated in this chamber on March 9 by the financial critic for the New Democratic Party, the hon. member for Waterloo (Mr. Saltsman). The United States, he said, not American companies or American investors, but the United States, has come in and virtually destroyed our economy with their branch plants. It is impossible to take a statement like that in anything but a humorous sense. He said, as recorded at page 4543 of *Hansard:*

> They have wrecked our economy with their branch plants.

Well, if the hon. member for Waterloo's constituents have any American branch plants which they want to give up, I would like to have these plants move to my constituency. I do not know of any place in Canada which does not want American capital to create jobs, to develop resources and increase prosperity.

The steep Rock Iron Mines in Atikokan, 135 miles west of the city of Thunder Bay, would still be a lake instead of a mine which has produced millions of dollars for Canada, employing hundreds of Canadians, had it not been for risk capital coming in from the United States. There are similar situations across the land, from Labrador to Vancouver Island, and from the industries of southern Ontario to the Arctic shores.

Let no one say that United States branch plants are not under our control. They are in Canada, and are as much subject to Canadian law as any plants owned 100 per cent by Canadians. Any studies or surveys ever made have shown branch plants, and their managements, to be at least as good Canadian citizens as Canadian owned plants, in wage levels, in exports, in participation in community activities, and in every other type of comparison.

The principle of the application of United States laws to Canadian or other foreign branches of U.S. corporations, as in trading with Communist China or Cuba, is a legitimate subject for discussion. Its effect, however, can be exaggerated. So far as it has ever been shown, Canada has never lost five cents in exports as the result of the United States ban on such trade. We never lost any flour sales to Cuba, and there has never been any order from Communist China for trucks or cars made in Canada, or for farm machinery or fertilizer or anything else which a branch plant turned down, for the simple reason that the orders never existed. All such examples have been mythical.

An invisible benefit of the U.S. stake in investments in Canada is the influence which this gives us in Washington. What better lobby could Canada have in Washington for Canadian economic interests than the oil companies, the automobile industry, and other giant United States industries which have put their money into production in this country? When some of us are worrying about the United States market for Canadian oil, it is satisfying to know that these are U.S. companies which are on our side.

The situation was pointed up at a conference at Dartmouth College, in Hanover, N.H., in 1967, by Professor David A. Baldwin. He said:

> The United States has, in effect, placed hostages on Canadian soil. With regard to many issues the most potent lobby in Washington on behalf of Canada is likely to be those American companies operating branch plants in Canada, which are charged with being a menace to Canadian power.

Let us have more U.S. investments in Canada, under Canadian control, to help develop our economy and to expand employment for Canadians. Anti-American pollution can only be harmful to our economic climate. Especially, let us have less thoughtless talk about shutting off the sale of metals and other materials to the United States in an effort, promoted by questionable organizations, to exert pressure on U.S. policy in Vietnam.

A demonstration against the war in Vietnam was staged on Parliament Hill last February 28, and was addressed by the leader of the New Democratic Party, for whom I have great respect. But he was quoted as saying he supported the embargo on nickel, was not sure about copper and had not thought about stopping the sale of iron ore, oil or other commodities to the United States.

In my constituency, the International Nickel Company is spending $90 million in the development of a nickel mine, and the building of a new town to give accommodation to the hundreds of workers expected to be employed shortly. The same company has a construction program of $250 million in Canada this year. If the suggestions of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) for shutting off shipments of nickel, copper and other materials to the U.S. were to be implemented by legislation, thousands upon thousands of mineworkers would be walking the streets looking for work.

It can be imagined what Americans might think about trusting their Canadian sources of nickel, copper, iron or oil to any political party leader with such views, who might turn the pipelines on or off as he agreed or disagreed with United States policy. United States capital and know-how did much to make this country what it is, and the need for more capital will continue in the foreseeable future, as is the case for the need for more people. I do not believe we can afford the luxury of narrow economic nationalism unless we are prepared to accept a much lower standard of living.

There is a need for Canadians to understand that the United States and Canada have thrived in partnership, and the United States, in my estimation, has never sought to use its economic stake in Canada to impinge upon Canadian prerogatives. Friendly association and co-operation is, in my view, the way to continued prosperity and growth for Canada, as evidenced by the fact that in 1969 Canada's exports to the United States were 15 per cent higher than the previous year. As an example, we cannot expect to sit indefinitely on the world's largest reserve of fresh water without sharing it with our neighbours, for cash, once we establish that our requirements will not be impaired.

• (4:50 p.m.)

In addressing a northern development conference, Professor Laycock said that opponents of water export are shortsighted, apparently not realizing how much water there is available and how little Canada can use. If Canada were to export 10 per cent of its supply at an average price of $40 per acre foot, the sales value of this one commodity would run into billions of dollars. What an exciting prospect. The Prime Minister (Mr. Trudeau) has already indicated that he would be willing to consider selling some water resources if studies show they are surplus to Canadian needs. Speaking to a group of Carleton University students he said, referring to all our resources, that if they could not be used domestically why not sell them for good hard cash? No Canadian with any sense of responsibility could disagree with that. In return for the sale of resources for which we have no immediate use we would get funds with which to develop the country and, as a result, the life of the Minister of Finance would be a happy one indeed.

My constituency, which is part of the great new city of Thunder Bay, has an economic stake in the St. Lawrence Seaway system. It is the third largest shipping port in Canada, and any increase in tolls will undoubtedly damage the economy of the area. In 1966, the greatest wheat export year to date, 63 per cent of Canadian grain was shipped through the port of Thunder Bay. Since we have heard that the next toll revision for the entire seaway system is due in 1971 and that hearings will be held later this year, the community is alarmed at the prospect of seeing higher toll charges being imposed for the seaway and the Welland Canal.

Dr. Pierre Camu, President of the St. Lawrence Seaway Authority, speaking at the official opening of the expansion of the Lakehead Keefer Terminal, stated that there was no cheaper form of moving bulk cargoes than water transportation. I suggest to the Minister of Finance that here is an opportunity to set a good example to the country by opposing any increases in seaway tolls. If imposed, they would have the sure effect of increasing the cost of hydro bills because Ontario Hydro would have to pay $3½ million more for coal which, of course, would naturally result in higher power costs and could add as much as $1 per ton to the price of steel. I am expressing the hope that those concerned with this grave responsibility will give this important matter deep consideration before any decision is made.

The challenge which inflation poses to our national well-being remains serious. However, the Minister of Finance has with this budget set in motion remedies which, if complied with, will give us reason for confidence in the 1970s that the good years of the past decade, years of gains in living standards, are not necessarily now to be followed by a less happy period.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, in rising at this time to make my small contribution to the budget debate I am reminded that this is

March 17, St. Patrick's day, a great day for the people of Irish ancestry. It seems to me, because of the ineffectual and mediocre nature of the budget, that the Minister of Finance (Mr. Benson) in this Trudeau government is praying for a St. Patrick who would banish and expel all the serpentine troubles that are coiling and twisting around this government. These troubles will be the downfall of "Trudeaucracy". Most of the government's troubles are either of their own making or their own neglect.

What can I say about the budget? What can anyone say about it? It is barely worth a comment because it signifies nothing and does nothing for the Canadian people. Therefore, I believe we can call it a "ho-hum do-nothing" budget. It might have been part of the Prime Minister's (Mr. Trudeau) and the Finance Minister's strategy to bring nothing forward at this time because in this same calendar year the Minister of Finance will attempt to perpetrate his notorious white paper upon the Canadian people. So, for the time being the Finance Minister says he is not proposing any legislation on taxes or tariffs.

Much as I should like to discuss the white paper during this budget debate, I shall not do so to any extent. I have other complaints of a vital and economic nature which I wish to make during the limited time I have the floor of the House. The Minister of Finance has said in his white paper that he will relieve many Canadians of the burden of paying income tax. That has merit. Why did he not begin to do that in this budget? I mentioned that he said he is not proposing any legislation in respect of tariffs. He said that possibly legislation will be needed by the autumn. Does he mean white paper legislation? The legislation in respect of his white paper proposals, if implemented, will mean the end of Canada as an influential, solvent, vigorous, manufacturing, land-owning and trading nation.

This Trudeau government, and the one before it under the Right Hon. Lester Pearson, have been creators of a man-made depression. The new Liberal concept of legislation, which now is a marriage made by that party with Marxist socialism, is sadly lacking. It lacks what it takes to govern a country like Canada. Here, we recall the strange anachronism of the Liberals in opposition in the winter of 1963 insistently clamouring about unemployment, at a time when there were 265,000 unemployed in Canada. I now refer to figures of the Dominion Bureau of Statistics for the week ending January 1970. These figures show that today, with the Liberals in power, there are over 485,000 unemployed, over 60,000 of whom are in Toronto. The Prime Minister, with a shrug of the shoulders and a gesture of his hand, says it is a calculated expectation and strategic fact of Liberal policy. There will be more unemployment. There will be unemployed Canadian farmers and bankrupt ones as well as a result of this government's former and present lack of policy and policy practices.

In the west during the past couple of years the Prime Minister has been saying, "Why should I be held responsible for selling your wheat". He did not hold himself responsible, nor did he sell any wheat. So, he now says, "I will give you money out of the public treasury to not grow any wheat and I will pay you at the rate of $6 an acre for those areas that you summerfallow and take out of production. It is quite a few years since I have worked on the farm in Richmond Township, Lennox County but the economics of farm operation still hold true. With the mechanized methods of today, one cannot summerfallow the wheatlands of the west nor the arable lands of any part of Canada for $6 an acre. I do not think that amount would pay for the gasoline or for the depreciation and the interest payments on the expensive machinery.

• (5:00 p.m.)

However, enough of that, Mr. Speaker. We will leave the government wallowing like a wrecked and stranded tanker in the gulf of political bankruptcy and confusion. There are some things I want to say to the government regardinv their policies which affect the province of Ontario and my constituency of Frontenac-Lennox and Addington in particular. First of all, there are strong indications that this government is not looking after public works. The case in point is the construction of the Bath-Millhaven prison complex in my riding. For some time back we have heard that all is not well in relation to certain construction details of this prison and that there has been a lack of proper inspection by the Department of Public Works. I have in my hands a written complaint made to me by private individuals who doubt the soundness of the construction job being done by the general contractors, Argo Construction Limited and their various subcontractors. Here are some of the alleged discrepancies and divergencies from specifications. It reads as follows:

Building L. Footings are poured on top of granular fill not on bedrock according to specifications

and drawings. The 2" mud slab is ½" to ¾" thick, instead of 2" thick.

The 4" crawl space floor is 2" thick instead of 4" thick, which was authorized in the specification and drawings.

Buildings D, C and G. The south 40' of all these buildings bears the same construction defects as Building L.

Building F is the same. In all cases gravel has been used instead of going to bedrock.

Building S. The west half of the building crawl space has no reinforcing steel and this is contrary to specifications. The thickness of the concrete in all cases is not the thickness in the specifications and in all cases this occurs in crawl spaces where it cannot be seen unless investigated.

Kitchen Building. The east half of the crawl space floor is 50 per cent under the specifications both for mud slab and for the floor.

Guard Tower. The anchors that were supposed to go 5' into the bedrock were cut off with a torch. The concrete for this 40' high structure is poured on fill and not bedrock. The complete tunnel area is still visible sitting on top of stone fill instead of bedrock.

The above conditions, when considered present over millions of square feet of construction, would result in the savings of hundreds of thousands of dollars on the part of the contractor. J. L. Richards and Associates are the consultants. One B. Hilliard is reported to be the resident engineer who controls all the inspection and is paid by the government. Argo Construction is the general contractor for the Bath-Millhaven prison complex.

I put this complaint on the record and hereby call upon the government to investigate it to the fullest with the object of correcting these alleged discrepancies. I have already placed on the Order Paper a private members notice of motion No. 393 calling for the tabling of copies of an inspector's report by the Minister of Public Works. Under the circumstances, I think that this should bring the government around to tabling and making that report public. The Bath-Millhaven prison complex will cost over $20 million and surely the Canadian people deserve value for their construction dollar in this case.

Another case where the government is not looking after business is the trade conditions arising from the wholesale adoption of the Kennedy round of tariffs under GATT. We find various Canadian industries reeling under the fierce international competition from low wage countries like Japan, Korea, Singapore and Hong Kong. This applies especially to the synthetic fibres industry in my area. Members of the House have seen what happened at Cornwall, the unemployment and hardship created there due to the invasion of Canadian markets by synthetic fibres coming from these low wage countries, and the total lack of interest in this problem by the Government.

[Mr. Alkenbrack.]

I have received protests from the largest terylene plant in Canada, namely, Millhaven Fibres, situated in my riding and employing over 1,000 people. They are feeling the effects of this unfair competition. I have here a letter from Mr. Peter Humphreyes, resident manager of that plant, received today. I wish to quote parts of it as follows:

On October of 1968 the textile industry, both companies and unions, appeared before Prime Minister Trudeau and members of the cabinet to outline the major problems that imports from low cost countries were creating in the textile industry. They were assured that this problem would be dealt with soon.

Instead, a major re-examination of the stituation surrounding the textile and clothing industries was decided on and the re-examination was to be completed by the end of 1969. The conclusions of this study have not as yet been revealed.

The major problems created by this repeated increase in imports is reflected in the fact that 20 per cent of all textiles and clothing in Canada now come from the low cost countries. Approximately 45 per cent of all textiles and clothing are imported into Canada so that the Canadian manufacturers are now supplying only 55 per cent of the Canadian market as compared to 70 per cent two years ago.

The increase in imports is not only having a disruptive effect on the textile industry in Canada, it is also having a disruptive effect of the livelihood of the 83,000 people who were in the textile and clothing industry in Canada.

Please note the phrase "who were in the textile and clothing industry in Canada". Many are still in it, but some are no longer there because of unemployment caused by foreign competition.

The letter continues:

We urge your consideration of an important industry which would be adversely affected in the future as far as continued operation is concerned. Consideration should also be given to the fact that this industry would be hard put to justify further capital expenditure to expand the economic climate of Canada without assurance that they would not be subjected to further increases in imports especially from the low cost countries.

Every member of the House will agree that in these cases, as well as in other industries in Canada, our industry must continue to have a certain amount of protection. This government joined the Kennedy round and GATT and thought they had done something big, but they walked away and left the door wide open. Our worst competition in synthetic fibres is coming from Korea. Their materials are being dumped on the Canadian market. I ask the Minister of Industry, Trade and Commerce (Mr. Pepin): What do we dump in Korea? We do not enjoy any privileges there. I doubt if our exports to Korea amount to even one million dollars a year. I call upon

the government to take greater control of the situation and limit the dumping of these foreign synthetic fibres in this country in order that our own people can still hold their jobs and make a living here, which is their rightful heritage.

My last complaint for today pertains to the vicious escalation of tolls on the St. Lawrence Seaway and the Welland Canal, aided and abetted by the policies of the present and preceding Liberal governments. It is coincidental that the hon. member for Fort William (Mr. Badanai) brought up the same subject. This was not prearranged and it shows the importance of this matter to Canadians. The escalation of tolls in the St. Lawrence Seaway is a bad thing, and this includes tolls exacted on the Welland Canal. We built the St. Lawrence Seaway in the last decade—that is the fifth decade of the century—at what is now a fairly nominal cost to Canadians of less than $340 million. What a bargain Canada got there! There should be no tolls on this waterway, and this is not the first time I have stood in this House and said so. I pointed this out four years ago, and yet there have been two increases in tolls since then.

The St. Lawrence Seaway system, including the Welland Canal, is at present the only stretch of commercially navigable water in North America which is subject to user charges in any form. Tolls on the St. Lawrence Seaway are no good for the economy of the heartland of Canada, namely, northern and southern Ontario. Not only do they increase the cost of all products manufactured by our industries, but seaway tolls are now beginning to increase the cost of our electric power, much of which is generated by thermal plants.

• (5:10 p.m.)

On August 20th, 1963, I began to advocate a hydro generating plant in the riding that I represented at that time, namely, Prince Edward Lennox. I am now proud and pleased to see the beginning of the realization of that plant which will be built in South Fredericksburgh township in the county of Lennox, south of Napanee and west of Bath in the riding that I now represent, Frontenac-Lennox and Addington. We are now informed that this plant will be oil-fired and the oil will be supplied by marine transportation to the plant on the Bay of Quinte on the north shore of Lake Ontario. Neither the Ontario Hydro nor the manufacturing industries which will be using the power from this plant can afford to pay tolls on the oil and/or other fuels that the plant may use.

I have here a letter from Mr. Saul Laskin, the mayor of Thunder Bay, which I wish to put on the record as I think it is of vital interest to all Canadians. Mr. Laskin says:

> Many people throughout Ontario believe that tolls on the international St. Lawrence Seaway and the all-Canadian Welland Ship Canal are matters of concern only to communities contiguous to those facilities.
>
> But in a speech delivered before the Marine Club of Toronto on January 16, 1970, George E. Gathercole, LL.D., Chairman, Ontario Hydro, made it plain that such tolls should be of real concern to every user of electricity in this province—domestic, commercial or industrial.
>
> As reported in the *Globe and Mail* on January 17, 1970, Dr. Gathercole in his statement made the following statements:
>
> He expressed concern over the level of tolls levied on traffic in the Welland Canal and the St. Lawrence Seaway. The charge to coal shipped through the Welland Canal in 1969 was about $200,000.
>
> While the figure is not high in relation to Hydro's total volume of merchandising, the Welland tolls are one of many pressures pushing the cost of electricity higher.
>
> Mr. Gathercole referred to a statement in the report of the Great Lakes Waterways Development Association that indicated that increased tolls suggested by the federal Department of Transport could cost Hydro an additional $25 million for coal.
>
> We would certainly oppose such an increase most strenuously and it should be clearly understood that additional tolls can only be met from one source—by the people of Ontario who use electricity.

I say, Mr. Speaker, including the people of Canada in general.

I thank Mayor Laskin of Thunder Bay for his letter and his support in the cause of the free passage of the commerce of our country on our great inland channel of contact with the whole world, the St. Lawrence Seaway. I and millions of Canadians look forward to the day when it will be free of tolls to legitimate shipping, as it ought to be.

Mr. Deputy Speaker: The hon. member for Northumberland-Miramichi (Mr. Smith).

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I rise on a point of order.

Mr. Speaker, since the beginning of the budget debate, only one representative of the Ralliement créditiste has had the opportunity to speak and I think that it would be time—

[*English*]

Mr. Deputy Speaker: Order, please. I am paying very close attention to the distribution

of speakers. I think if the hon. member will consult the list he will see that he will probably be next and that this is a fair distribution of speakers. The hon. member for Northumberland-Miramichi (Mr. Smith).

Mr. G. A. Percy Smith (Northumberland-Miramichi): Mr. Speaker, I should like to congratulate the several members who have taken part in the budget debate for their excellent contributions. I was especially impressed by the remarks of the second last speaker, the hon. member for Fort William (Mr. Badanai) and his remarks concerning friendship with our neighbours to the south. Mr. Speaker, you will not find much anti-American feeling in the maritimes, from where I come. Perhaps the reason is that there are more relatives of Maritimers in the New England states than there are Maritimers left in this country. I intend to be relatively brief and I think the hon. member who rose will have plenty of time to speak before the adjournment because I expect that my few remarks will not take more than 15 or 20 minutes.

In rising to speak in the budget debate, I would like to indicate my support of most of the budgetary measures proposed by the Minister of Finance (Mr. Benson) on Thursday last. I think all Canadians agree that fiscal restraint must still be exercised if inflation is to be brought under control and kept under control. A balanced budget was, therefore, expected and desired. Actually, the forecast is for a considerable surplus.

The surplus of the current year, as well as the forecast surplus, indicates to me good financial management by this government. The hardships that inflation inflicts on persons with fixed incomes is well known, and I need not elaborate on that. The serious effects of inflation on international trade is also well known. We must maintain our costs and prices at a level which will keep our exports competitive in foreign trade, a factor which is extremely important to the economy of this country as one of the large trading nations of the world.

One speaker yesterday, I believe the financial critic for the NDP, indicated that we are competitive in world markets regardless of restraint on costs or by labour. However, he cited such natural resource commodities as copper, steel or nickel. In nickel, for example, Canada has had almost a monopoly in the past. Recent and apparently major finds in Australia may change this situation considerably. As soon as the prices of our products rise too high, a substitute will be found or, as in the case of nickel, other countries or companies in other countries, simply increase the intensity of their search so that they will inevitably make a discovery.

[Mr. Deputy Speaker.]

The restraint on government spending in the past year is to be commended. It is an example to industry and to the country as a whole. I believe the figures will show that the rate of increase in government spending was 3.8 per cent or less than the increase in the gross national product. This figure, of course, excludes the cost of joint programs with the provinces.

It is, however, unnecessary for me to cite the serious consequences of inflation. The effects are well known to all members of the House and by all Canadians. The proposals this budget contains were expected. As one newspaper put it, the condition of the patient, meaning the economy of Canada, was unchanged. In other words, inflation is not yet under control. No increases in taxation were expected in the budget and none were forthcoming. It is the next budget, or at least the main one for 1971-72 that will be awaited with great interest, and I might add, with considerable concern.

We in Atlantic Canada, Mr. Speaker, and in my riding of Northumberland-Miramichi have often complained that the government of Canada, in placing controls on the economy, has been unable to do so except on a national basis. In the Maritimes, where unemployment is chronically high—about 10 per cent in this season of the year—we suffer from these controls and restraints, while not contributing to the problem of inflation. As a measure to offset this, this government set up the Department of Regional Economic Expansion. I am pleased to note that substantial funds are provided in the present budget for this department.

• (5:20 p.m.)

Approximately $200 million is budgeted for the 1970-71 fiscal year. This department was promised during the last election campaign. We, in my riding, had great expectations of some swift action. I realize, Mr. Speaker, that the economic ills of the Maritimes which have prevailed for so long cannot be cured overnight. In the past, perhaps, moneys have been spent there that might have sparked industrial growth but sufficient planning had not been done and in some cases the money turned out to be largely wasted. So, I realize that research and planning in depth is

required. However, almost two years have now passed and, at least in my riding, no results are yet apparent. We are told that studies and planning are going on.

I am concerned about who in the Department of Regional Economic Expansion is doing the planning and what advice are they seeking and receiving. Are they seeking the advice of those who have wrestled with these problems for many years. I can say personally that no one has asked my advice nor, I think, the advice of any other member of Parliament. Perhaps our advice would be useless, but there is a chance that we might have something useful to contribute.

Any person who has held public office in New Brunswick has been greatly involved in trying to attract industry, because this is and has been our major problem for many years. Many Members of Parliament have been involved in the total economic problems of their province, town or riding for many years and know, or should know, something about the problems there. I do not discount the possibility of a fresh look with, possibly, new solutions being apparent to an outsider, if I may use the term, because as I say I have not been advised as to who was making studies, studies that are of intense interest to members. I do not know if these persons are students, college graduates or, in fact, if any have ever been in the Maritimes before. There are many maritime members whose advice might have been of some value. We have, for example, a member of this House who was Premier of New Brunswick for many years; another member is a former Attorney General of New Brunswick.

Mr. Alkenbrack: Hear, hear.

Mr. Smith (Northumberland-Miramichi): Speaking personally, I was involved in the economic problems of my area as mayor of Newcastle, as President of the Board of Trade and as a businessman, for many years. We wrestled with the problem of how to attract industry. But we were always working without funds. Now that funds are available for this purpose through the Department of Regional Economic Expansion we, as members, so far as I know, were not consulted in any way or asked for any advice.

I am sorry to be somewhat critical of the Minister of Regional Economic Expansion (Mr. Marchand) because he is not in the House today. On March 11 of this year, the minister announced the establishment of 22 special areas in eight provinces. Two of these are in New Brunswick, the areas of Saint John and Moncton. No one could quarrel with the need for special incentives in all or any part of New Brunswick. It was a disappointment to me, however, that none of the smaller centres which are most in need of help were designated. We had been led to believe that, in addition to the larger centres, there would be certain secondary growth centres designated as special areas. In fact, of the eight centres in Newfoundland-Labrador, six are to be in smaller communities. The others are at St. John's and Cornerbrook. My riding of Northumberland-Miramichi contains some of the lowest income and most economically depressed communities to be found anywhere in Canada. The designation of the towns of Newcastle and Chatham as a special area might well have attracted industry which would provide employment for members of the communities I have mentioned, and such a centre would, unlike Saint John and Moncton, be within a travelling distance for workers in the most depressed areas.

As mentioned by the minister in his statement of March 11, the special areas may receive assistance in providing an infrastructure of services which would be attractive to industry. The most important of these services in most cases will be transportation facilities. It was with pleasure that I read the announcement that the sum of $10 million is to be provided to start reconstruction of Highway No. 11 in eastern and northern New Brunswick which crosses my constituency. Another highway that should have high priority on any infrastructure of roads in New Brunswick is the one cutting across the central part of the province from Newcastle to Plaster Rock. This highway, now partly completed, if made an all weather road would open up the large central area of the province to which access has been very limited. It would connect the great potato farming counties of Madawaska and Victoria to the ports of the Miramichi.

However, the main transportation problem in my constituency, and one that we have been fighting to overcome for decades, is the lack of adequate water transportation. Our products are chiefly those from the pulpmills, sawmills and mines, and they are generally shipped to European markets, although some go to South American countries and the U.S.A. These industries suffer, as does our whole economy, from the refusal of the Department of Public Works to dredge an adequate channel to accommodate the larger ships that are mostly in use today. The ports of Newcastle

and Chatham are situated about 40 miles inland from the sea. The channel of the Miramichi River is adequate, but there are one or two sand bars in the bay which prevent the entry of any but relatively small ships.

On many occasions over the years we have approached the Department of Public Works about this problem. I recall coming to Ottawa about ten years ago with a delegation to petition the then Minister of Public Works for improvements to the channel. Many delegations have since made the same request. The answer has always been in the negative. The negative reply has always been, "You show us the additional shipping and we will dredge your channel." Our argument has always been, "You provide the channel and we are sure the additional shipping will follow." In fact, we are now in grave danger even of losing the shipping we have enjoyed for several years. This is due to the trend towards the use of larger vessels.

I was perhaps able to accept this type of negative thinking from the Department of Public Works and the Department of Transport. Now, the new Department of Regional Economic Expansion is expected to take a positive view in providing attractions to industry in the underdeveloped areas. It is supposed, in addition to financial incentives, to provide the facilities that industry would require.

Hoping for this positive approach to what I claim is our major problem in Northumberland-Miramichi, another delegation from my constituency came to Ottawa almost as soon as this new department was organized. To date we have received the same old, negative reply. If the minister—I wish he were here today—is serious about providing a new approach, about providing an infrastructure of services, chiefly transportation, in the most depressed areas, I call on him in the strongest possible terms to take another look at this most pressing transportation deficiency in the only major port in eastern New Brunswick, that is, the dredging of the bottlenecks in the port of Miramichi—to a minimum depth of 26 feet.

• (5:30 p.m.)

To return to the budget, Mr. Speaker, I am pleased to note that in its attempts to combat inflation the government has realized that spending pressures have not been equally distributed across the country. The minister is to be congratulated for recommending the adoption of a measure that provides for higher depreciation allowances on costs of commercial construction in regions of higher unemployment. He is also to be congratulated on his announcement concerning air and water pollution. The accelerated depreciation provision on devices, structures or equipment to reduce or prevent pollution is to be extended for a further three years: this is a welcome announcement. As the member for the constituency which embraces the greatest Atlantic salmon river in the world, namely, the Miramichi River, this was a most welcome inclusion in the budget. It remains to be seen, and watched with great care, that anti-pollution laws are strictly enforced.

[Mr. Smith (Northumberland-Miramichi).]

[*Translation*]

Mr. Bernard Dumont (Frontenac): I thank you, Mr. Speaker, for being so obliging as to recognize us in this far end of the House. I may say with all due respect that you are absolutely right in giving us the floor at this time.

I would first like to express my views on the budget speech in order to clarify certain points which, to my mind, are not clear enough and which too often cause useless discussions between the Ottawa government and some provincial administrations, particularly that of Quebec.

The main instance is the famous discussion on the $200 million that Quebec would like to recover while Ottawa intends to keep this income from the so-called social development tax of 2 per cent to use as it pleases, as the Prime Minister (Mr. Trudeau) has himself stated in the House.

Mr. Speaker, we must go back to 1939 to get a more comprehensive view of this matter. The then Premier, Hon. Adélard Godbout, had lent our taxation rights to Ottawa for the duration of the war, in view of the urgency of the situation. The war ended in 1945, and Maurice Duplessis, in his rather political statements, said that, for the sake of provincial autonomy, only certain taxation rights needed to be handed back to the provinces. Since the matter was profitable from a political standpoint, he did not demand that all the rights, transferred temporarily to Ottawa by Hon. Adélard Godbout, be returned too early to Quebec, so that he might thus cling to power.

Now, the Premier of Quebec, Mr. Jean-Jacques Bertrand, trained in the school of Hon. Maurice Duplessis who was defending that so-called autonomy, wishes to continue to beg for money that he claims is his own.

I feel there should be a round-table meeting in order to determine once and for all the tax jurisdictions of the federal and provincial governments. In the province of Quebec, the Créditistes have been improving the political awareness of Quebecers and in the last twelve years they have been successful in restoring the province's image through television programs. Soon, men of integrity will be elected to govern the province; their hands will not have been tied by electoral funds and they will have no financial curbs. They will proudly tell the whole population of Canada: Here is what we want to do. Let us stop our federal-provincial wranglings which, more often than not, are related to fiscal problems. What I have in mind, for instance, are the famous $200 million.

Here is, in my view, what should prevail in respect of this so-called social development tax. It seems to me that the central government should have frozen the $200 million until the Quebec government is in a position to accept hospital insurance. I suggest this course would have been more logical and the two governments would not have behaved like school children or immature adults. Canadians who are aware of this political verbiage say to themselves that we have not reached political maturity. French Canadians watch quietly this cock-fight that does not settle anything.

Mr. Speaker, in connection with existing problems in Canada, the Minister of Finance (Mr. Benson) has made a statement on a television program. Here is what has been said about it in a newspaper article entitled: "Mr. Benson agrees that an increase in unemployment is almost unavoidable", and I quote:

> Perhaps it will be necessary to have an unemployment rate slightly higher than what it was in 1969 "if we want to check inflation", said Mr. Benson on television Sunday night.

• (5:40 p.m.)

Upon hearing statements like the one made by the minister, I become convinced that the problems will not be solved. In fact, to increase the unemployment rate is certainly not a step in the right direction. The time has come for all Canadians to work together in order to prevent such hardship amidst affluence.

In another article we read that 43 per cent of urban families are living in want.

Mr. Speaker, if the economic situation of 43 per cent of Canadian families is either one of want or one of hardship, I wonder why governments, federal and provincial, do not try to find a solution and do not stop dipping into the taxpayers' pockets. It should be decided whether it is the federal or the provincial government which should raise taxes. After all, the only problem with regard to the $200 million is to determine who has the right to collect them. Should taxes be levied by the federal or the provincial government? The first is too greedy; it imposes taxes and keeps all the money for itself. Hence all this ineffectual talk in Canada.

I maintain that the present government is not offering any positive solution. No problem is solved and instead of seeking complicated solutions it would have been better to put the Bank of Canada at the service of Canadians. Instead they have to pay taxes.

The saturation point has been reached long ago in Canada. Both in Ottawa and in Quebec no other solution was found than that of taxes and surtaxes.

In 1970, Canadians are not falling into steps. They are seeking another solution. Besides, we will be able to find that out on April 29. In Quebec we will see that the political education we have been spreading for 35 years now throughout the province will bear fruit. The surprise will be the miracle of the year. Overtaxed as we are, we do not accept any longer this financial system. Presently, without the permission of the capitalists who control the economy, even at the world level, and without leave from their servile officials in Ottawa, we cannot even breathe.

Therefore, we are against these taxes because, in my opinion, they are nothing but theft. They are theft, indeed, when they fall on taxpayers who have not enough money to buy the necessities of life, while goods are in abundance in this country. Taxes are theft when there are unsold products, when people are doomed to unemployment, when there is untapped productive power and especially when we note that it is impossible to sell products due to the lack of purchasing power.

In our day and age, taxes are a theft because they destroy the purchasing power, lead to an accumulation of products and deprive the population as much as inflation does. In my opinion, taxes should only exist to eliminate the excess of money in circulation when there are not enough products. When there is a lack of money, we do not need taxes but a redistribution of the purchasing power through the granting of a dividend or a compensated discount which would bring down prices to the real production cost.

I think there should be a different way of financing public investments, by the allocation

of new credits according to the real needs and producing capacity of the country.

That is why the government's attitude is unacceptable. Indeed, even the Canadian Manufacturers Association maintain that Canadians will pay more for public services, since the government will draw an additional $500 million during the next five years out of the taxpayers' pockets.

The problem is thus to determine who will tax.

"It is patent theft", said the former president of the Canadian association of electrical appliances manufacturers, Mr. Ramsay.

"It is stupidity", said the president of the Montreal and Canadian Stock Exchanges, Mr. Charles Neapole. According to Mr. Neapole, the small Canadian companies will be the most affected by the proposed reforms as a result of the white paper and the new sources of taxation now proposed. As the matter stands, some companies like the Bombardier Co. of Quebec and other excellent Canadian companies will be affected, while others like General Motors which is controlled by American interests will benefit from the reforms suggested by the federal government.

For instance, in La Guadeloupe, in the Frontenac riding, where a snowmobile company was sold to an American corporation and overnight 300 workers were laid off. Attempts were made with the assistance of the union to find the owners of the industry and it was learned finally that they had fled abroad in a quiet hotel in Miami whose name was not known.

In the face of such shameless exploitation on the part of capitalists whom, in my opinion, take over our Canadian economy, it is time that the Bank of Canada be made to assist the Canadian people, so as to eliminate this economic system which interferes with our freedom and which binds us, although with golden chains.

Furthermore, we have been told that soon capital gains will be taxed. Let us not kid ourselves. We know fully well that it will be the consumers who will foot the bill. Prices will rise, which in turn will push upward the inflationary pressure. To operate and survive, a business must include in the price of the items it markets all its costs; otherwise, it faces bankruptcy. If one cost is not included in the price, the business loses money and eventually goes bankrupt.

It is impossible to tax effectively a capitalist producer, because his existence as a producer depends on his capacity or his ability to have the consumer pay all the expenses generated by his business production.

Businesses will tend to inflate their prices according to additional taxes which the government will levy on them. It is impossible to believe that an unfair system will be improved with measures which will make it even more unfair.

With regard to capital gains on real estate, I submit that when we decide to appraise wealth in Canada, the home owner will be tempted to assess his property at the highest figure possible so as to protect himself or to minimize capital gains which could be obtained when selling his property later on.

However, if he puts a high price on his home, the chances are that the municipal appraisers will, in turn, step in and levy a higher land tax. There is thus no way of escaping from the recurring circle of problems.

On the other hand, if the home owner's appraisal is in keeping with the value set by the municipal appraisers, he will have to pay more taxes on capital gains than the profit he will make when he actually parts with his house.

In my opinion that is one of the ill effects of the white paper proposals. Mr. Fraser Robertson, in an editorial published in the November 12 issue of the *Globe and Mail*, notes the seeming disregard of the government for small businesses, because the white paper proposals result in discouraging small investors, in jeopardizing small businesses while favouring only the big monopolies.

According to this journalist, the Minister of Finance (Mr. Benson) when bringing forward his proposals under the name of tax reform, obviously agrees with the view of the Economic Council of Canada to the effect that what Canada needs is to develop a few powerful monopolies likely to become the responsibility of other cabinet members. He knows complete disregard for small businesses.

• (5:50 p.m.)

Mr. Robertson adds that the disregard shown by the Minister of Finance (Mr. Benson) for small business, more particularly the family-type businesses, reflects the arrogance peculiar to our times and our government.

Recalling that big businesses like General Motors and Massey-Ferguson had a modest start before becoming powerful monopolies, Mr. Robertson remarks that even in this era, big businesses are dependent on smaller businesses able to supply raw materials. He recalls

that General Electric, for instance, has to rely on more than 10,000 small suppliers.

Finally, without pondering on the Canadian situation for too long, I shall limit myself to a few examples showing that it is rather desperate. At the present time, there are in Canada two million children living in poverty; 350,000 women and 1 million children are on welfare. One urban family out of five earns less than $3,000 per year; the same goes for 160,000 rural families.

For these reasons, we Créditistes propose a minimum taxable income of $4,000 for married people, with a $1,000 deduction per child and a $2,000 deduction for single people. Moreover, the government should enact immediately a compensated discount so as to lower the cost of living and empower the Bank of Canada to make interest-free loans to municipalities, schools boards or for the establishment of any public service.

Moreover, so as to respect self-government and promote good understanding in Canada, each province should be granted, as was required by Alberta as soon as in 1935, the right to establish a branch of the Bank of Canada, so as to enable the provinces to finance, without interest, every public endeavour, thus promoting Canada's development while making financially feasible what is physically possible.

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I am happy to make a few modest remarks on the budget speech given last week by the Minister of Finance (Mr. Benson).

Through this budget, the government proposes various measures, various economic and financial programs to the House, in order to allow the members to put forth what criticism they see fit, provided it is objective, and serious, and that they ensure efficiency and dynamism in the administration of Canada.

The facts must be faced but, to my mind, it is a bad thing for criticism to be pessimistic only, and of such nature as to discourage the public. Occasionaly, it might be indicated for some of us to point out the weaknesses in a budget speech or in government programs. But, I do not approve of attempts being made to discourage the people by suggestions devoid of objectivity, useless suggestions that cannot help the Minister of Finance and the government to do even more efficiently the job they have done so well in the last few years.

What it amounts to is that we are asked to approve the government's general fiscal policy. We are not told to consider this policy as the most perfect one, as all members feel that any human organization is bound to have certain weaknesses, particularly when it comes to government policy and more especially as we work on what I might call human material.

And when we operate in this way it is difficult to use mathematical formulae entirely as they might be appropriate today but would probably have to be changed tomorrow due to the unpredictable evolution of all human activity.

The members of the opposition moved an amendment to criticize the government for failing to provide any tax relief for the poor and for taking measures to reduce consumer credit, which measures are likely to increase the difficulties facing Canadians and to increase the level of unemployment.

It must be acknowledged that these measures could be prejudicial to our workers for some time, but their purpose is to avoid a greater harm. In fact, it happens that the patient feels some pain when his doctor has to treat him for some disease. Another opposition party has also pointed out that the government should have considered the tax to be paid by single people whose annual income is under $2,000 and by married people whose annual income is under $4,000. In my opinion, the minister has already partly answered this question because it seems that after all these discussions we have had in these last few weeks about the white paper, which is not the statement of a final policy but a list of proposals, the small wage earners in Canada—as can be seen from the white paper—will be protected and that the strongest among the Canadian citizens, because noblesse oblige, will continue to hold the first place.

Mr. Speaker, may I call it six o'clock?

[*English*]

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. LeBlanc (Rimouski): Mr. Speaker, I intend to use the few minutes that I have left to comment on the budget speech and to make some general observations as well as

others concerning my riding in particular and the province of Quebec in general. I shall deal with those subjects within the framework of Canadian policy.

While listening to the comments of a few opposition members, I wondered whether some of them did not see in the budget speech some sort of speech from the throne.

In my opinion a budget is a kind of retrospective of the economic situation of the year just ended as well as an account of expenditure with regard to revenue so as to ascertain if the country is doing well or not. In the light of these facts, estimates are made for the year just beginning.

However, a speech from the throne cannot be compared with the introduction of a budget. In the speech from the throne legislative proposals are set forth. This seems simple but I think it is important to say it again so as to better identify the subject under consideration, to respect more our mandate, to fully avail ourselves of the rights and privileges given us by the people in order to safeguard the democratic freedom with the greatest respect and chiefly never to give the impression to the Canadian people that we are not getting anywhere and that the government aims only at bringing forward its policy as if it were the only remedy to economic problems.

It is always possible to find some weak spots in it and here is the proof of it. The government sets out its policy so that it should be commented upon. I bring that up again in order that the democratic image of our country should be a subject of pride for all the people of Canada. It is important that all the opposition members—they can be at times somewhat noisy since they take advantage of their rights—do not give the impression that they criticize the government policy only for the sake of saying that everything it does is not good and—which is more serious—forgetting meanwhile to make suggestions.

• (8:10 p.m.)

All those who heard the Minister of Finance last week, have read the newspapers and discussed the highlights of the budget. The Canadian people generally and the hon. members in particular have them present in their mind. They deal with economic and financial conditions, with the needs of the government with regard to the development of Canada, so that we may co-operate for the welfare of Canadians.

[Mr. LeBlanc (Rimouski).]

Our sources of tax revenue, the allotment of public funds for next year, the federal statements of receipts and expenditures concerning public accounts and restrictions on consumer credit will soon, be the object of legislation, as indicated by the minister. Then all hon. members will be in a position to discuss the new policy on consumer credit as well as its effects, the various proposals concerning special accounts and loans, in the light of some precedents set in Canada and finally the problem which I consider as the most complex, that of differed amortization, and amortization of expenses incurred to fight pollution.

I would like to go over the most important aspects of the budget brought down last week, which gives all members of Parliament and all Canadians, of any political party, every reason to congratulate the Minister of Finance (Mr. Benson) and the government.

It is advisable and necessary to point out that taxes have not been raised for the first time in many years. The speaker who preceded me this afternoon, the hon. member for Frontenac (Mr. Dumont) discussed at length the bad effects of taxes in Canada, and he said that the government could govern without taxing. As he has been repeating for many years, he explained by what legerdemain he could replace taxes. But to my knowledge, there are very few countries, I should perhaps say there are none, that have used the legerdemain advocated by the hon. member for Frontenac.

A few days ago, the leader of his party, to whom I always listen with the utmost interest, was discussing provincial politics with a CJBR Station announcer in Rimouski and praising the merits of his party. To the people of my region he gave as a case in point the economic accomplishments of the two Social Credit governments in Canada, those of British Columbia and Alberta. To my knowledge, these two governments which are, if not the two most dynamic, at least the wealthiest, have not applied the policies of the Créditiste party. As a matter of fact, they are still using the coins and bills printed by the Royal Canadian Mint here in Ottawa close to Parliament Hill.

Why are those two provinces among the wealthiest, if not the wealthiest in Canada? I believe it is because British Columbia has a much milder climate than Quebec, which certainly affects the dynamic and efficient development of natural resources.

And Alberta, a pre-eminently agricultural province, has been developing for some years rich oil fields that may contribute to its prosperity.

For the first time, the budget does not provide for any tax increase. Maybe the hon. member for Frontenac (Mr. Dumont) would have been happy if there had been. For the first time also in many years, the budget shows a surplus, which is a sign of a sound financial administration and we should all be happy about it. The government has succeeded in attaining this object which was one of the priorities in its program during the election campagn of 1968.

For the first time again in years, the net amount of the national debt has been reduced. This is another point that we should take into account. In addition, we should keep in mind the efforts made by the government to maintain public expenditures within certain limits and to increase efficiency of public services, as well as in the administration through use of modern techniques, in the best interests of Canadians.

For years, opposition members have been claiming that the government establishes no priorities, as would be essential, whereas the government does have priorities. Since the beginning of the session, the government has been stressing priorities for expenditures, as can be ascertained by merely reading the budget speech made by the Minister of Finance.

In my opinion, highest priority goes to regional economic expansion, with a credits increase of $52 million. Next comes the program on behalf of Indians and Eskimos, with a credits increase of $34 million. In third place comes the retraining of manpower on which a credits increase of $24 million will be affected. Those who are afraid of unemployment can always take advantage of the manpower retraining program, so as to earn a decent living in a new trade.

We should not forget either the industrial and development incentives for which an increase of $12 million is provided. The government's appropriations for low-cost housing will amount to about $200 million. The government will provide an extra $15 million to help the have-not countries. The budget speech constantly emphasizes the war on poverty, first of all in Canada, and then in other countries.

And a last priority which has made the headlines in the newspapers and been the main topic of speeches given by politicians at all levels of government for some time is the fight against water and air pollution.

Some months ago, the Prime Minister (Mr. Trudeau) warned the Canadian people that if they failed to resort voluntarily to anti-inflationary means, the government, for its part, would take the necessary action.

Today, following the speech of the Minister of Finance, we realize that the government was serious, consistent and showing much intellectual honesty.

That is why we can proudly state—and again I say it—that the Minister of Finance, following such warnings, was the first in years to bring down not only a balanced budget but also one that showed a surplus. He clearly states that he intends to achieve the same thing in 1970-71. This is the reason why he managed to obtain a $250 million surplus.

• (8:20 p.m.)

No wonder that I am proud to be a member of the Liberal party. All Liberal members are proud to support the government and, on occasion, to offer it some suggestions. The Liberal back-benchers are sometimes blamed for not expressing very often their views here in the House. We do however sometimes express them. While the opposition members may be more vocal than we are, we do sometimes happen to be a silent opposition. I am proud, on behalf of my electors, to belong to this kind of opposition for the Liberal members take advantage of every available means to provide the government with constructive suggestions. Far from wanting to destroy things or to dishearten people, our purpose is to bring encouragement and help.

There are regional problems and other relevant questions we would like the Minister of Finance to give special consideration to, following the enforcement of the budget policy. They deal with the protection the poor are entitled to get and with the ways and means of helping them.

Furthermore, we should consider helping those who are commonly called the middle-class citizens. If we consider the white paper proposals, it appears that if the tax policy were to be applied as it is set out in the white paper, 750,000 Canadians who, at the present time, pay taxes, would no longer pay them. Furthermore, three million Canadians would pay a lot less taxes. This is the proof at any rate that the Minister of Finance and the government, when preparing the white paper, did think of the poor.

In my opinion, the minister should also provide for certain measures which would tend to lighten the tax burden of middle-class citizens.

Among those who make between $9,000 and $25,000, we have the owners of small businesses, professional people, the experts Canadians go to for help. It would impose hardships on those citizens to have to pay tax on income they have not yet collected, when they already have a difficult time paying income tax on what they have already received.

The minister could give special attention to the fight against poverty, tax deductions and consumer credit.

With regard to the social policy—and here I am thinking of the amendment to the Progressive Conservative party and the sub-amendment of the New Democratic Party—we were told in the Speech from the Throne that a white paper on the basic policy of the government would be introduced. To date the government has proven its sincerity by supplying us with those white papers ahead of time. I think that this white paper will soon be introduced and all the members will then have the opportunity to discuss the means that should be taken to improve the lot of the old, the widows and the sick.

Before concluding my remarks, I should like to say a few words on some regional problems. It has often been said that in our area, in eastern Quebec, the lower St. Lawrence area and the Gaspé Peninsula, we had been chosen as a pilot area. I have already said I was afraid regional development programs devised for those areas, under federal-provincial agreements, would use us as guinea pigs.

Following the developments of these last months, I wonder whether an agreement between Quebec and the federal government is really being prepared. I believe that in our area we will not even have the opportunity of being used as guinea pigs, as the proposed development will probably not be carried out. In fact, I wonder whether, on account of political reasons—rightly or wrongly—this scheme will not be implemented on a Quebec scale only, with the danger that we will remain a marginal area.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, there are many people in Canada who disagree with the government's contention that inflation is the No. 1 problem facing our country today. I subscribe to the view that the No. 1 problem in our country today is not inflation but regional disparity and its consequences. Yet the government continues to propagate the myth that inflation is our No. 1 problem and it continues to implement a program the effect of which is to increase unemployment in this country.

The unemployment figure has now reached critical proportions in many areas of the country. But the government goes on its merry way. Unemployment in the Atlantic provinces is already in excess of 10 per cent. Our national unemployment figure has exceeded 6 per cent. In my own province of Newfoundland there are many who believe, and I am one of those, that unemployment has exceeded 20 per cent. In spite of this, the government continues on its merry way, blind to the consequences of programs that it pursues which will drive unemployment rates still higher.

• (8:30 p.m.)

Mr. Speaker, it has been said before, and it bears repetition, that inflation may be a serious problem. No doubt it is. I certainly have no doubt that it is a serious problem in the "have" provinces of this country. There is no doubt that inflation is a grave problem in Ontario, Alberta and British Columbia. But I think it is fair to say that for those of us in the rest of the country, when these provinces call the inflationary tune the rest of the country is forced to pay the piper.

On the eve of the budget which is now being debated in this House the Minister of Regional Economic Expansion (Mr. Marchand) made a statement in which he outlined the government's program to deal with the very serious problems of regional disparity. The program was contained in the minister's statement made in the House on March 11. The only opportunity for members of this House, the representatives of the people, to comment on this new policy was in a brief statement in reply that a representative of each of the opposition parties was permitted to make under our rules after the minister had made his statement.

The House is being denied the opportunity, Mr. Speaker, to examine this program. Indeed, I can say that the House has been denied an opportunity since the beginning of this session to examine the programs of the government designed to cope with the very serious problems of regional disparity. The problem was referred to just a few days ago by a very prominent economist from the University of

Montreal. It was reported in the *Globe and Mail* of March 7, and paraphrasing his speech they said:

> Canada has a highly developed set of federal and provincial legislation designed to reduce the income gap between the various regions of the country. Planners in other advanced countries regard the Canadian machinery with admiration and envy.
>
> The only problem is that it doesn't work.

In spite of statements made by experts in the country about the seriousness of regional economic problems, the House is denied an opportunity to examine what the government is doing and its policies to cope with these problems. Mr. Speaker, coming from one of the most regionally disadvantaged provinces of the country I can say that with feeling. We have tried, unsuccessfully, to get the government to tell us the details of what its plans or programs are. The only way we have an opportunity to do this is by debate in the House, the House reverting to Committee of the Whole, or in the Standing Committee on Regional Development.

In his statement the minister announced that the new program would cost more than $200 million and that this money would be committed to aiding the 22 special areas, as the minister referred to them, across the country including three of the four Atlantic provinces, eastern Quebec, Saskatchewan, Manitoba and Alberta, before June 30, 1972. According to the minister's statement, press reports and the pronouncements of politicians in the various provinces, the program is to come into effect on April 1, and we are told that two of the provinces—Newfoundland and New Brunswick—will be signing agreements with the federal government before April 1, 1970.

The program has two major aspects, as I see it. First, it is designed to provide federal aid to provincial and municipal governments, to community infrastructures—that is a beautiful $64,000 word which covers a multitude of sins —in certain areas of Newfoundland, Nova Scotia and New Brunswick. Second, the program is designed to provide federal incentives to private enterprise (a) for developing resource-based industry in the northern Prairies and parts of Ontario and Quebec, and (b) for providing alternative employment for those affected by the decline in the potash and wheat industries in Regina and Saskatoon.

Now we are told that the $200 million mentioned by the minister is to be devoted entirely to the first aspect of the program, that which deals with aid to provincial and municipal governments for community services—the so-called infrastructure. Yet, Mr. Speaker, we do not know whether this is to be in the form of loans, grants or both. We have no way of knowing, and we certainly have no way of finding out in this House from the elusive Minister of Regional Economic Expansion who shows nothing but contempt for this House when he is here by refusing to answer questions.

Perhaps, Mr. Speaker, it is worth while to note that there is only one minister present in the House tonight and less than a baker's dozen of his colleagues. I would suggest this is indicative of two things: (a) the arrogance of this government, and (b) the contempt it holds for those of us who are trying to represent the people.

Some hon. Members: Hear, hear!

Mr. Baldwin: Shameful.

Mr. McGrath: Mr. Speaker, the Minister of Finance (Mr. Benson) in his budget speech, which hon. gentlemen opposite have tried so desperately to defend, referred to the allocation of this money. I quote from page 4744 of *Hansard*:

> —about $50 million more for loans for regional economic expansion, on which all of us place high priority.

This is supposed to be the government's approach to this problem upon which they place such high priority. The Minister of Finance in his budget talks about $50 million. The Minister of Regional Economic Expansion in his statement to the House talked about $200 million to be spread over the next two years.

• (8:40 p.m.)

There are a number of questions to which we demand answers. For example, are these funds for the incentive part of the new program? We have no way of knowing, and as of this moment we do not know. We know that the $50 million figure differs substantially from the increase of $37 million in loans shown in the departmental estimates.

Again, this is a matter of detail and we want the opportunity to question the Minister of Economic Regional Expansion, the Deputy Minister and senior officials about this matter. It would seem, if we can judge from the tip of the iceberg that is protruding, that this is a major policy announcement. Obviously, the program is committing major sums of money and clearly this House is entitled to discuss it fully.

Mr. Olson: That is what hon. members are supposed to do during this debate, Mr. Speaker. During the budget debate hon. members may discuss more or less what they like.

Mr. McGrath: We have been denied an opportunity to discuss this matter.

An hon. Member: What?

Mr. McGrath: We have been denied the opportunity to discuss the details of the program. If my hon. friend on the government side of the House, the Minister of Agriculture (Mr. Olson) and his colleague will restrain themselves, I will explain why I say that.

Mr. Lind: Speak up, then.

An hon. Member: Where is the minister? How can he reply?

Mr. McGrath: We have been continually frustrated in our attempts to find out exactly what this government is doing in all areas and in the area of regional economic expansion especially.

Mr. Baldwin: We are being ruled by the secret society.

Mr. McGrath: This is the government of the big secret. We have asked repeatedly, by various procedural means open to us, that a meeting of the Standing Committee on Regional Development be convened in order that it might deal with the estimates. Of course, the Minister of Agriculture can say that the estimates have already been referred to the committee. Everyone in the House knows that, just as everyone knows the estimates need not be referred back to the House until May 31.

Some may say the matter is not urgent. I submit the urgency has been increased by the announcement of the Minister of Regional Economic Expansion a few days ago that the program is to take effect on April 1, at which time the House will be adjourned for the Easter recess. It has come to our attention that the committee will not meet this week. A meeting of the subcommittee on agenda and procedure has been announced for Thursday, but obviously the full committee will not meet this week. Early next week the House is to adjourn for the Easter recess. We have been frustrated in our attempts to find out who is responsible for calling this committee together. It is a well-known custom of this House that committees meet to consider estimates at the convenience of the minister.

Mr. Olson: With all respect, that is not correct.

Mr. McGrath: With all respect, that is correct, and the minister knows it. It is a custom of this House. Consequently, it is logical to assume that this committee has not been convened, (a) because the Minister of Regional Economic Expansion does not wish his estimates to be examined, and (b) because the minister obviously has something to hide.

Some hon. Members: Hear, hear!

Mr. Baldwin: The government controls the machinery.

Mr. Nesbitt: The minister was in the barber's shop all afternoon.

Mr. McGrath: If the Minister of Regional Economic Expansion wants to come to the House and deny these allegations, I am sure hon. members on this side will give him unanimous consent to be heard; that is, assuming he can take time out from his sorties into Quebec.

Mr. Lind: You never had it so good.

Mr. McGrath: Since the session began last fall the Standing Committee on Regional Development has met once, despite the repeated attempts of the members of that committee to convene the entire committee if for no other purpose than to elect the chairman and vice-chairman.

An hon. Member: Shame.

Mr. McGrath: We have had one meeting. That meeting was called to deal with a relatively minor amendment to the Cape Breton Development Corporation Act.

Mr. Olson: There was a chairman at that meeting.

Mr. McGrath: Mr. Speaker, we know the government does not wish its program to be examined before it becomes effective on April 1.

Mr. Pringle: Mr. Speaker, will the hon. member permit a question now, or later?

Mr. McGrath: Mr. Speaker, my time is limited; otherwise I should be only too glad to entertain a question from the honourable and distinguished member from British Columbia who has played such an important but

frustrated role on the Standing Committee on Transport and Communications, who has seen some of his recommendations ignored by the government and, indeed, sent back to the committee because they were not acceptable to the government.

Some hon. Members: Hear, hear!

Mr. Pringle: Hurray! Up the Bullet!

Mr. McGrath: I admire the hon. member's tenacity. Most hon. members have become so frustrated that they find it difficult even to attend meetings of the Standing Committee on Transport and Communications in which my hon. friend has played such an important role.

We believe that if this House under its new rules is to function properly and effectively, committees must meet frequently and there must be, as my colleague for Peace River (Mr. Baldwin) has said, new machinery to make certain they meet—because it is obvious that the present system does not work.

Mr. Olson: We think it does.

Mr. McGrath: There must be new machinery whereby we are able to see that committees meet frequently to discuss estimates and major statements of policy before those policy statements are implemented. The Government House Leader ought to have the courtesy to be here tonight. The Minister of Agriculture displays that courtesy.

Mr. Nesbitt: He is the only one.

Mr. McGrath: That minister and the Minister of Regional Economic Expansion flippantly and sarcastically reply to our questions by saying, "The estimates have already been referred to the committee."

An hon. Member: Come off it, now.

Mr. McGrath: I ask my friend from British Columbia who interrupts me: What mechanism is there to make certain the committee is called together, and the minister is called before the committee at its convenience and not at his?

An hon. Member: That is a good question.

Mr. Baldwin: We have the rule of the autocrats.

Mr. McGrath: Why is this committee experiencing so much difficulty in getting down to work? What is the problem? What is the reason behind this? Is it to provide time for the Minister of Regional Economic Expansion to go into Quebec and talk as he has been in the past few days and interfere in that province's politics? Is that the reason? One can only assume that this committee has not met because someone on the government side of the House has given instructions for it not to meet.

Some hon. Members: Hear, hear!

• (8:50 p.m.)

Mr. McGrath: If the committees of Parliament are to be effective, and indeed if Parliament itself is to be effective, we must have as our right the opportunity to scrutinize government policy in committees. This right becomes all the more important when a minister makes policy statements which are vague—such as the one made on March 11—nebulous and beyond the realm of understanding. We must not be content to sit here frustrated in our attempts to exercise our rights as Members of Parliament to ask for explanations as to what the policy is all about. This matter is all the more urgent, Mr. Speaker, because the program announced a few days ago is to take effect when Parliament is in recess. When we return, it will be a fact. There will not be much point in getting details of it then, because it will be too late.

It took Ireland 900 years to gain her independence. If I could, I would reiterate for that long that the government and this House must provide a new mechanism: it must devise a new means if Parliament is to mean anything and not be the farce that this government is making it. Committees must be able to work effectively and efficiently and be free from the sometimes sinister hand of the government.

Mr. Baldwin: The best way to do that is to have a new government.

Mr. Olson: You tried that, and lost.

Mr. McGrath: If the government continues like this, the people of Canada will provide that mechanism. Before I resume my seat, Mr. Speaker, I wish to refer to the subamendment moved by the hon. member for Waterloo (Mr. Saltsman) which reads as follows:

> —and, more specifically, this House regrets that the proposals do not exempt from income tax single persons earning less than $2,000 and married persons earning less than $4,000 per year.

We in this party believe that the subamendment means only that single persons earning less than $4,000 a year should be exempt from

income tax. We do not feel it means that the basic tax exemption for all taxpayers should be raised to $2,000 and $4,000 respectively. We therefore believe the subamendment is consistent with the amendment moved by my friend the hon. member for Edmonton West (Mr. Lambert). Consequently, we in the official opposition have no hesitation in supporting the subamendment.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the budget that we now have before us in the most clear and unequivocal fashion reveals the moral and intellectual bankruptcy of the Liberal Party of Canada.

Some hon. Members: Hear, hear!

Mr. Broadbent: The solution which that party presents to the people of Canada to the problems which our country faces is that we must in some paltry fashion tighten up consumer credit. If one reads the budget carefully, it will be seen that even in this nefarious enterprise only a half-hearted attempt has been made. Any serious economist would suggest that the recommendations in the budget to deal with consumption are not really effective. If the government wanted to put teeth into it, they could do what was done in this country in the early 1950's. Even operating under the assumption therefore that the economic problems of this country should be approached by reducing consumption, if we look at what the great old party on the government side of the House has proposed, we find a vacuous approach.

The budget is one more step in this government's neurotic two-year preoccupation with inflation which has not resulted in stable prices but in thousands of jobless persons throughout the country. The very important point that needs to be, and is recognized by anyone with a two-year university level of education in economics is that in a modern economy a government does have a choice. In fact, it has two choices. The economy can be geared so that society will be fully employed or, as I said a minute ago, there can be a neurotic preoccupation with price stability.

In the history of this country we have had governments which have consistently made the second choice. It is not necessary to rely on my partisan judgment for this: anyone can look at an economist's textbook on the history of economic practice in this country to make that discovery. I wish to quote from a source which at one time was very dear to the government. I am referring to Mr. John Deutsch, the former head of the Economic Council of Canada. I shall read what Mr. Deutsch had to say about the deliberate attempts by governments of this country to manage the economy based on the assumption that what is needed most is price stability as opposed to full employment. In an article written in 1968, Mr. Deutsch, in comparing Canadian and American governments with their western European counterparts, pointed out that European governments

> —have been highly sensitive to unemployment, and they have used monetary and fiscal policies very actively to keep the unemployment rates at low levels.

The result of this, he observed—and this is a deliberate policy on the part of western European countries—is as follows:

> Over the past ten years ... they have generally succeeded in keeping the unemployment rate within a range of 1 to 2½ per cent of the labour force.

He noted that in Sweden, in particular, unemployment in the past decade has rarely exceeded 1½ per cent. During the same period unemployment in this country averaged about 5 per cent. I emphasize that this is a matter of deliberate government policy. Governments in this country have incessantly, foolishly and criminally opted for price stability over a fully employed economy. The increasingly evident result is unemployed Canadians. Canadians living in the Maritimes, Quebec, and now more and more in Ontario, the Prairie provinces and British Columbia are becoming unemployed. The recent figures are: the Atlantic provinces, 10 per cent; Quebec, 8 per cent; Ontario, 4.2 per cent; the Prairies, 4.6 per cent; British Columbia, 7.3 per cent.

• (9:00 p.m.)

The atmosphere of unemployment is a disastrous one for people to grow up in, yet the most recent figures indicate that unemployment is now spreading to Ontario, the Prairies and British Columbia. This is a direct consequence of the policies this government has pursued for the past two years. The results are very evident in a constituency like my own where until the last couple of months we enjoyed full employment. Now, employment is beginning to decline. Automobile sales are declining. As an interesting sidelight, I might point out that imports of European automobiles have increased significantly during the last few months. Perhaps the chairman of the Prices and Incomes Commission should get in touch with those who run the auto-

motive industry and find out why they do not lower their prices.

One of the government's objectives is to bring about a reduction in prices, but anyone with an elementary knowledge of present-day economics knows that the big corporations are in a position to set their own prices; they are able to wait for decades, if necessary, before responding to the kind of fiscal and monetary policies which the government is operating. They dominate markets rather than respond to them.

Why is the government's deflationary program not working? It is obvious that it is not working, and I wish the Minister of Finance (Mr. Benson) had taken the advice of even some of his own economic advisers on this question. It is not working because current inflation is not caused by excessive demands on the economy. It is foolish to compare what is happening in the economy today with what happened in the fifties. In the early fifties there was, indeed, an excessive demand upon the economy; we were catching up in the production of consumer goods after the big lag during the second world war. The Korean war cut into the production of consumer goods. The labour force was fully employed, and too many dollars were chasing too few goods.

Today the situation is entirely different. There are plenty of goods waiting to be purchased, automobiles and manufactured products of all kinds. But they are not being bought. If hon. members will read what is contained in the sixth annual report of the Economic Council of Canada they will find that this is spelled out in detail.

My point is this. Though it is difficult to quantify these things, it is probable that 90 per cent of the inflation in this country is due to the inflation in the United States where it is the product of excessive demand. United States involvement in the war in Viet Nam has meant the diversion of a high percentage of its productive resources into military enterprises, leaving a gap in civilian production. In that country there are, indeed, too many dollars chasing too few goods. The United States is suffering from inflation, and we have inherited it in this country. I suppose the most practical early approach, the most realistic counsel to give this government would be to advise the United States to get out of the war in Southeast Asia. This would be the quickest approach to dealing with inflation in Canada. The result of the government's callous and outdated approach to a modern economy is bound to be even higher levels of unemployment, even more men, women and children suffering in a way which is altogether unacceptable.

One of the excuses put forward by the Minister of Industry, Trade and Commerce (Mr. Pepin) is that if we did not take action to deal with inflation, Canadian exports would suffer. Once again, this is hogwash. Export figures for last month are up by 16 per cent as compared with a year ago; we have no problem in the export field. Besides, 70 per cent of our trade is with the United States, and the United States, as I pointed out a minute ago, is suffering from a higher rate of inflation than ours—theirs is running at about 6 per cent and ours is running at about 4.5 per cent. So we can expect to continue to trade with the United States in terms of the prices of our potential exports as long as inflation there is running ahead of our own.

What are we to conclude from the government's brilliant economic performance so far? The only conclusion I can reach is that they do not know what they are doing. They are following the old-fashioned conservative method of governing the economy, but even the application of this method is faulty because they have incorrectly diagnosed the present situation. This is the view of the Economic Council of Canada, as I pointed out a few moments ago.

What should be the economic objective of the federal government in this country? In my view it should be the same as that of every civilized country in western Europe: there should be a consistent, determined and intelligent approach to creating an economy in which there is full employment. Never, to my knowledge, has a government of this country presented us with a white paper on full employment, for example; it has always been on the subject of price stability, or something equivalent.

We in this party do not hold the view that inflation is something about which one should not be concerned. Of course, there is some concern. But we think in terms of priorities. The human priority, full employment, should come first. We must then be intellectually honest and admit that if there is to be full employment there must also be some measure of inflation. But let our primary aim be full employment, and then let measures be introduced to deal with the situation of those who will be affected by the inevitable inflationary pressures accompanying it.

• (9:10 p.m.)

Once again, there are no great mysteries about what ought to be done in this area. First, we should take measures to protect those on pensions, whether government or private. We need laws, applicable to private concerns as well as to government institutions, which will ensure pensions to people who have worked all their lives, based on income during the best ten years of their employment. They should contain escalation clauses which would correspond to the real increases in inflation, not to some arbitrary percentage level which is inevitably set lower than the actual rate. We need to protect people in receipt of pensions if we are to acknowledge that inflation will be with us in a full-employment economy.

The amendment we have put before the House would make some minimal move to provide relief for these people by raising tax exemptions from $1,000 to $2,000 for a single person and from $2,000 to $4,000 for a married couple. This would provide some real assistance to people confronted with inflation. Instead of providing this relief, the government has produced a nice white paper, in connection with which it is going to indulge in all kinds of extravagant propaganda for two years. It will then come along as the great beneficent father of the country and perhaps make a move in the direction which I have suggested.

I would ask the government why it does not make this move now. If, as the Economic Council of Canada has pointed out, these people are living in poverty, and I am tempted to say one hell of a lot of the rest of us are well off in this country, why not make a concession at this point instead of waiting another two years? We do not need to wait!

Another measure which would have to be taken to protect the people in an inflating economy relates to the barbarous trade union laws in this country. Something like a mere 40 per cent of our working force is unionized, a horrible shame in comparison with other industrial societies. For example, in Sweden some 90 per cent of the working force are members of trade unions: lawyers, doctors and other professions are proud to associate themselves with the labour movement and to be members of a union. This is something that we in this country must encourage. We must get virtually all our working people into a strong bargaining position so that they will be able to cope with price increases.

[Mr. Broadbent.]

A third measure that could be taken is to unpeg the Canadian dollar. Because of our pegged dollar, whenever the United States economy is affected by inflation ours has to respond by making sure that our interest rates are just a little higher. In short, our economy has to respond to whatever the economy of the United States does. Therefore, one of the steps which would give us a little higher degree of independence would be to unpeg our dollar and conduct a vigorous, imaginative program to develop industries which are not directly dependent upon U.S. trade but would produce economic ties with other countries. These are four measures that a government of this country primarily concerned with full employment could take to protect those who experience difficult times as a result of the inevitable inflation that goes with full employment.

The final point I should like to make is that this budget fails entirely to encourage the development of the public sector of the economy. One of the most important methods of simultaneously protecting people against inflation and equalizing life opportunities for people in Canada is the provision of public or community goods and services. If we build public swimming pools, parks and universities, average and poor Canadians benefit as much as the rich. If we remove pollution from our water and air, preserve and build attractive cities, expand our hospitals, increase our medical research facilities and build at public expense more houses, on this economy we will have a substructure that will enable people to have real, human benefits at their disposal whether or not the economy is an inflated one.

This is extremely important. The more we rely upon market conditions to ensure production and distribution of goods and services, the more we put people in a very dependent position in terms of dealing with inflation. We must move much further in the direction of providing public goods and services so that people in society are not put in the position of having to compete in the marketplace for these goods and services. As a result, they would not suffer when confronted periodically with inflationary pressures.

I have made four or five suggestions about what could and should be done in this country of ours in a period of full employment when people are subjected to inflationary pressure. May I repeat that the government of this country has been an utter disaster from the point of view of economics.

It has been a complete and utter disaster when you consider that on a per capita basis we have one of the richest societies in the world. The government is still relying upon the most outmoded kind of thinking, and upon what should be the most outmoded moral position, in managing our society.

This budget should not be seen simply as a stand pat document which should more or less be accepted as one other document put out by a banal government. The budget should be seen and talked about for what it is—as the most current symbol of a government that does not know what it is doing and has no interest in changing the power structure of our economy, something that is necessary in order for Canadians to move toward a more civilized kind of existence.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for York East (Mr. Otto).

Mr. Macquarrie: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Hillsborough (Mr. Macquarrie) on a point of order.

Mr. Macquarrie: Mr. Speaker, since the Postmaster General (Mr. Kierans) was not present today on his roster-assigned duty, and was not present at two committee meetings at which he was to be the star witness, may I ask whether he would like to make a statement on the emerging catastrophic situation in Montreal? I am sure the House would give unanimous consent to revert to motions for the purpose of his making a statement.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Béchard): Order. According to my knowledge of the rules, this is not a point of order. The hon. member for York East.

Mr. Macquarrie: Then may I ask why Your Honour called "Order" before you ascertained whether there was unanimous consent of the House?

The Acting Speaker (Mr. Béchard): Order. The hon. member for York East.

Mr. Otto: Mr. Speaker—

Mr. Aiken: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Parry Sound-Muskoka (Mr. Aiken) on another point of order.

Mr. Aiken: Mr. Speaker, the hon. member for Hillsborough (Mr. Macquarrie) raised a point of order and asked whether the House would consent to revert to motions.

The Acting Speaker (Mr. Béchard): Order. That is not a point of order.

Mr. Macquarrie: Please! Let him finish.

Mr. Otto: Mr. Speaker—

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

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Parry Sound-Muskoka on a point of order.

Mr. Aiken: Mr. Speaker, all I was trying to say was that that question ought at least to be put to the House.

• (9:20 p.m.)

The Acting Speaker (Mr. Béchard): Order. There is no unanimous consent.

Some hon. Members: Oh, oh!

Mr. Asselin: Mr. Speaker—

The Acting Speaker (Mr. Béchard): Does the House give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): There is no unanimous consent.

Mr. Steven Otto (York East): Mr. Speaker, this is a rather disrupting occurrence, because I thought I was going to have the pleasure of speaking to my friends here in camera, unreported by the press, and I could put the government over a barrel.

An hon. Member: Go ahead.

Mr. Otto: Something is happening. I dare say it has something to do with an announcement to be made.

Mr. Knowles (Winnipeg North Centre): Are you the new Postmaster General?

Mr. Otto: No, I am not the new Postmaster General and I cannot seem to get the message across. I very much regret—

An hon. Member: What is your colour tonight?

Mr. Otto: I very much regret I have to speak when other members are anticipating something of great portent. I was trying to

make amends over a period of a year and a half during which I have been accused by members opposite of somehow deserting them, as if I were a member of their party. The fact is I am a Liberal.

Some hon. Members: Hear, hear!

An hon. Member: That does not excuse you.

Mr. Otto: Being a Liberal does not at any time prevent me from speaking out if I disagree, as I intend to tonight, with government policy.

Some hon. Members: Hear, hear!

Mr. Otto: I shall limit myself to the question of inflation and the so-called measures that have been taken by the government to control inflation. I fully realize that this problem is very serious and has to be faced. Like the hon. member for Oshawa-Whitby (Mr. Broadbent), I say this is a problem that cannot be disregarded and that the measures which have been taken up to this time have been absolutely useless.

Some hon. Members: Hear, hear!

Mr. Otto: My good friend and colleague the Whip said recently I had apparently returned to normal. I should like to assure him that I have always been normal. Whenever reform measures are brought before the House which form part of Liberal philosophy, I support them. I supported the Criminal Code amendments and I now support the white paper which I think is a good social document. This is not the issue at stake. The issue at stake is that we as Canadians are bound to face inflation every five or six years. We are told it is about time to get down to physical flagellation in order to control inflation.

All these flagellists, including the minister, Mr. Rasminsky and all the experts, tell us we have sinned. What have we done, that we as Canadian people constantly deserve to be told that every five or six years we must restrict our economic enterprise and confine ourselves to lesser production? We are told not to grow crops and we are told not to do other things. This is not a country for negative thinking.

Some hon. Members: Hear, hear!

Mr. Otto: Negative thinking does not work. It may have worked 15 or 20 years ago but it does not work today. Let us consider some of the recommendations made by authorities as high up as Dr. Young, Mr. Rasminsky and others. They say we must tighten money and we must restrict credit because this will have a beneficial effect on enterprise by making industry produce less. If these gentlemen were out in the commercial world they would realize that a restriction or a lessening of sales by any corporate enterprise is equivalent to automatic suicide because it results in a decrease in employment and production. There is only one result of decrease in sales, and that is bankruptcy.

These people still think businessmen should restrict themselves, confine their sales and produce less. This cannot be done. If the Minister of Finance (Mr. Benson) had been out in the commercial world as I am from week to week, he would know this is not possible.

Mr. Fairweather: He would be getting $40 a week.

Mr. Otto: What is the consequence of this attitude? The banks, of course, have tightened up. They have said to the businessmen that they cannot have money because the banks are short. The businessmen know they must produce and increase sales, so they go to the friendly IAC—the Industrial Acceptance Corporation. That outfit says that this is a new and strange creature. They offer to help out businessmen by giving them money to purchase brand new equipment and machinery. They offer to factor their inventories at a charge of only 2 per cent per month. That is quite decent: if you calculate it for a year, it is only 22 per cent.

Then the manufacturers ask how they will dispose of their products. The finance company says not to worry because they will get customers. They in turn go to others and ask how they would like to buy these goods with money they will lend at only 18 per cent. I have in mind the entrepreneurs and the consumers, but the giants who get the profits are the finance companies. This all occurs because the minister says to the banks and finance companies that we must tighten up because we do not have the money.

I was a member of the Banking and Finance Committee when this situation occurred. This was the craziest snow job ever sold us as Members of Parliament. We were told we had to compete in the money market and that we must have a free interest rate in order to obtain investments in mortgages. How nice—the banks were going to invest all their money in mortgages in order that we might finance business enterprises and their inventories. We said fine, go ahead and finance these

companies in that way. Before we knew it, there were Chargex cards and Scotia Plan cards flying all over the place. We then found that was where the money at 38 per cent interest was going.

These banks which were originally vested with the right—almost a monopolistic right—in Canada to look after this service, we found to be derelict in this duty. There are two answers to the situation, and this does not involve instructing banks to restrict lending. If we are to give banks the monopolistic privilege of providing this money, which we have done, we must see that the interest rate is controlled, or insist that the money is placed where it is needed rather than where it can make the most profit. I have no objection to this, but the only other alternative is to throw banking wide open and get away from the branch banking system. Perhaps we should adopt the United States system of competitive banking. I have no objection to that, but in one way or another something has to be done.

The inflation illness which we suffer cannot be blamed on the working man or labour unions. It is due by and large to the fact that control of financing is left with the banks under a monopolistic system. Unemployment has been referred to time and time again. We must consider the consequences of unemployment today. The use of unemployment today, either directly or indirectly, as a tool to curb inflation cannot be tolerated.

Some hon. Members: Hear, hear!

Mr. Otto: Unemployment today has a much more serious consequence than it had 20 years ago. Unemployment today can no longer fit into protected groups. Today we belong to trade unions, and if one is a carpenter and is fired or laid off, his dignity is lost because he can do carpentry and nothing else. He loses his status and his earnings. This is a tragedy because the man who suffers from unemployment requires years to recover. He will never again be as productive as he might have been. The minister should carefully review his definition of unemployment in relation to how serious this situation can be.

• (9:30 p.m.)

To say we may require 7 per cent or 8 per cent unemployment is just absolutely unbelievable. It is said that we are taking more out of the economy than we are putting into it. I believe that is true. That is the reason for inflation. We are taking out more than we are putting in. The answer is not to take out less; it is to put in more. Labour has no objection to this. Canadian labour today is about ninth in the world in productive capacity, after Italy and France. I believe it has a rating of 2 according to CNTU reports and DBS.

But what do we do with labour? First we say we do not really recognize unions; we say that a union is a quasi legal thing. Then we say you are still allowed to stop production and use the stoppage of work as a tool to negotiate, as if the negotiation was between labour and management. The fact is there is no management-labour dispute. Management will always pass on the cost. The dispute is labour-consumer or labour-labour. That is the conflict today.

It is about time this government put its mind to work and developed a system by which these disputes will be solved without a work stoppage. The consequence of a work stoppage is long-lasting. First, there is the lack of production. Heaven knows, we are short in production. Every year we lose out in respect of production because of work stoppages. When this happens, labour has to dip into its savings; it is no better off. Production suffers.

The most serious consequence is that if the labour dispute is settled over a long period, there is resentment; management and labour no longer see eye to eye; they are enemies instead of friends. There cannot be good production when there is that type of feeling. If this were 1930 I would say that there is no other method by which to solve a labour-management dispute, but this is 1970 and there are many ways in which it can be done. There is even the very simple method of abolishing unions and saying what firms shall be unionized. If there is no contract, the profits made during the period in which there is no contract could be turned over to the government. Management would have nothing to worry about because at least it would not have to close its factories or dig into its reserves. Labour would still be earning, we would still be producing and people would receive the benefit of this.

There might be thousands of other ways, but we should apply our minds to the essential question that so long as wages and prices increase at a more rapid rate than our gross national product, we will have inflation and it does not matter which economic philosophy is used. The budget indicated some controls over consumer loans. I grant that if any segment of our fiscal or economic policy has a great influence on inflation, it is the creation

of money because, indeed, consumer financing is the creation of money. Whether we think of it in direct or indirect terms, that is what it is. If you tell a man that he can buy goods and pay for them from his future earnings, you hypothecate his productivity and that is the creation of money. This has a great bearing on inflation. But to say that he must provide 20 per cent of the price and set a time limit for payment is of no consequence.

The finance companies promote the lending and borrowing of money. Your friendly HFC will lend you all the money you need in order to get out of debt. You do not have to pay interest on the debt but you do have to pay. They promote this. They are not worried too much. If a man cannot pay, they obtain a garnishee on his wages. The original law of bills of exchange and court procedures had to do with commercial borrowing, bills and bankruptcy; it had to do with people in business. They were in the commercial world and they were the ones who had to suffer the consequences of non-payment. It was never meant, and should not have been meant to be the tool of the finance companies to use to collect debts which they themselves promoted.

The solution is not in provincial hands; it is right here. All that we, the Prime Minister (Mr. Trudeau) and the government have to do is simply amend the Bills of Exchange Act and the Bankruptcy Act and say to the finance companies that if they promote the lending of money, they must collect it by promotion and be careful where they put it. They should make sure that the man is a good risk and not lend to him merely because he is a good fellow and then have recourse to garnishee proceedings. That might have some effect.

Let me in the few minutes remaining review some of the points I have made. Over a number of years we have had to tolerate less production from time to time so we might surmount the problem of inflation, but the problem has not been surmounted. We are now in the position of applying the same old remedy in the same old way even though it does not work. The essence of reform is to have a proper appreciation of the situation in order to find out what are the circumstances, and then apply measures and not just say we have measures which we are going to apply such as telling farmers not to grow crops and manufacturers not to produce. In essence, that is the reason for inflation.

[Mr. Otto.]

In conclusion, as I say, I can imagine that some of these remedies would apply to many other countries. However, the statement that we import 90 per cent of our inflation from the United States does not stand up. If the United States is indeed involved in an expensive war, it obviously also can afford to be involved in lunar trips and expensive mineral exploration. A country which is hamstrung in respect of productivity could not afford to do this.

There is absolutely no need for Canada to be too seriously affected by United States inflation. I believe it is our own doing. It is up to our government to take a positive approach. It must say, first, that it will help business become more productive and will make money available to it at reasonable interest rates in order that business can improve its plant, it facilities and its production.

We should invite expertise in management and at the senior executive level from the United States or elsewhere so that Canadians can be trained to do a better job. The government should also come to a definite decision and policy in respect of labour. It is very nice to have our minister go from place to place in order to settle strikes, or to be there when they are settled—but that is not policy. We must have a policy in respect of what we want to do with labour and how we can make it more productive. We must remember at all times that the issue now is not that we should take less out of the economy, but that we should put more into it. We should enjoy the standard of living, with our productive capacity, to which we were entitled and not a standard of living dictated by restriction.

• (9:40 p.m.)

Some hon. Members: To the Senate!

Hon. J. A. MacLean (Malpeque): Mr. Speaker, in the couple of minutes that remain before the vote takes place I want to say that I agree in part with what was said by the previous speaker. One of the great problems facing this country at present is inflation.

My contention is that one of the greatest contributions to inflation at present is the high tax burden that Canadians are bearing. During the last 18 years the total tax burden on Canadians has risen from just over $6 billion to approximately $26 billion—a fourfold increase in a matter of 18 years. The most serious factor in this tax load and the

greatest single increase in the various forms of taxation has been hidden taxes. The result is that there is a tax factor in everything that Canadians buy.

There is now a sales tax at the federal level in most provinces, and some municipalities have a hidden sales tax in the price of everything that the Canadian consumer buys. The result is that there is an erosion in the purchasing power of the Canadian dollar to the extent that it is becoming more and more difficult for the average Canadian to bear his tax burden.

It is true that there are some Canadians who have a vested interest in inflation. Those who have real estate property of considerable value are in the position to ensure that the property increases in value. If they were fortunate enough to borrow money in the past to purchase that property, they can pay back the debt from the appreciation on the real estate property. More important still, the government itself has a vested interest in inflation. I am convinced that they can never be completely convincing in their fight against inflation while this is the case, because as the years go by and inflation increases, the real value of tax exemptions which are set in constant dollars depreciates.

The result is that the tax load on Canadians automatically goes up without the government having to refer to Parliament to increase tax rates. In the last few years the government has been in a very satisfactory position so far as receipts are concerned and this government and its immediate predecessor—which was composed of the same people, shuffled about a bit—have been responsible since 1963 for what people have called the drunken sailor period of expenditures of the federal government.

Some hon. Members: Hear, hear!

Mr. MacLean: We are now paying for this expenditure. The government has made commitments over the years. I see that it is a quarter to ten, Mr. Speaker, but I will continue my speech until the subamendment is eventually disposed of. The government, as I have shown, having a vested interest in continuing inflation, is not a convincing body to attack the problem of inflation which is now making life economically difficult for the vast majority of Canadians.

As has been pointed out by the hon. member for St. John's East (Mr. McGrath), inflation falls heaviest in those areas of Canada where the economy is far from buoyant and where unemployment figures are high.

Mr. Speaker, I see you have noticed that it is a quarter to ten o'clock.

Mr. Speaker: Is the Prime Minister (Mr. Trudeau) rising on a point of order?

[*Translation*]

Mr. Trudeau: Yes, Mr. Speaker. I ask the unanimous consent of the House to revert to motions, so that I can make a statement.

[*English*]

Mr. Speaker: The Prime Minister is seeking the unanimous consent of the House for the purpose of reverting to Motions.

Mr. Baldwin: Mr. Speaker, we and other distinguished people, have been waiting most anxiously for this particular moment, but there is one difficulty. Under the Standing Order the bells will ring for 15 minutes, following which there will be a vote, at the completion of which there will be no opportunity for members of the opposition to comment on the Prime Minister's statement.

If it is understood that any unanimous consent which is given includes the right of hon. members representing opposition parties to make their response to what the Prime Minister has to say, this will be fine. We think that if the Standing Order is to be suspended, it should be suspended to the extent that will permit this to be done.

Mr. Speaker: I would have thought that this is the basis upon which a return to Motions would be agreed to by hon. members. I suggest that as part of the agreement which is now being suggested, the bells should still ring for 15 minutes whenever we reach the point at which a vote is to be taken under the provisions of section 6 of Standing Order 69. I understand that subject to this agreement there is unanimous agreement that we revert to Motions.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

POST OFFICE

MONTREAL POSTAL DISPUTE—APPOINTMENT OF COMMISSIONER OF INQUIRY

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to inform the House of a decision that has been taken in an

attempt to solve the postal dispute that exists presently in Montreal.

[*English*]

The essence of it is a recommendation of the Privy Council which has been adopted today and which I would be prepared to table in the House. I might read the operative paragraph of it, which would permit any of the opposition spokesmen to contribute to this very difficult problem in a constructive way.

An hon. Member: We will decide how we are going to contribute.

An hon. Member: Read the statement.

Mr. Trudeau: The Committee of the Privy Council, on the recommendation of the Prime Minister—that is me—

An hon. Member: So far.

An hon. Member: Was there ever any doubt?

Mr. Speaker: Order, please.

Mr. Trudeau: —advise that H. Carl Goldenberg, Esq., of Montreal, Quebec, be appointed a Commissioner under Part I of the Inquiries Act to inquire into the contracts that have been entered into—

Mr. Fairweather: My God; the mail will never get through now.

• (9:50 p.m.)

[*Translation*]

Mr. Trudeau:

—for the vehicular delivery of mail in Montreal with effect from April 1st, 1970, and the status and rights of all employees presently involved in vehicular mail deliveries, including their collective rights, to report thereon and to recommend such measures in that regard as he considers equitable and desirable for the restoration of normal and effective service in Montreal.

[*English*]

An hon. Member: Kierans resigns.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to say—

An hon. Member: Did we sit up all night to hear that?

Mr. Macquarrie: —what other hon. members have said in this House before, that this Prime Minister (Mr. Trudeau) has reached the ultimate in contempt for this Parliament. I received this innocuous statement one and a quarter minutes ago. I am supposed to respond to it with all the seriousness of an elected representative of this Parliament, and I say to him that this is contempt for this Parliament.

Mr. Trudeau: Explain.

Mr. Macquarrie: It may be clever among certain circles, but in the long run it will not do much for him as a one-time apostle of participatory democracy—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. There should be order in the House.

Mr. Muir (Cape Breton-The Sydneys): How can you have it with a man like that over there?

Mr. Speaker: Order, please. I think we should try, anyway. The hon. member for Hillsborough has the floor, and I suggest his remarks should be directed to the statement made on Motions by the right hon. Prime Minister.

Mr. Macquarrie: I had thought, Mr. Speaker, as a fairly substantial grammarian, that when I said "to him" I was in fact addressing you in the first person and him in the third person. I would not have thought, sir, of addressing any remark in this Parliament to anyone other than yourself.

I should like to say that the Prime Minister, who was expected to speak earlier today, has shown his usual contempt for this institution. I would say, further, that the document which he has presented shows his lack of compassion for the problem bothering many many people. I would say to him, further, that if he regards this—is there someone who would like the floor, Mr. Speaker?

An hon. Member: Just ignore him.

Mr. Speaker: Order, please. If the hon. member would direct his eyes to the Chair, I would suggest that he continue his statement. I wanted to suggest a moment ago that the hon. member's statement, under the Standing Order, should be directed to the statement made by the right hon. Prime Minister.

Mr. Macquarrie: I should like to say, Mr. Speaker, that it would be much easier for me to direct my statement to his statement had I seen it prior to the last minute and a half. I would say, sir, that the courtesy of this House surely would suggest, if not re-

quire, that spokesmen for opposition parties be apprised of documents of this kind before the last minute.

I would say to the right hon. Prime Minister that if he, in the face of a situation in Montreal which is crippling the mail service of this whole country and which is denying the people of Canada's largest city mail service week after week, can satisfy himself with such an innocuous document as he has designed to deliver to us tonight, his doctrine of participatory democracy has been left by the board long, long since.

I should like to know, sir, on this difficult day and yesterday when all these trials were upon us, why the Postmaster General (Mr. Kierans)—who, surely to God, should have responsibility for these matters—has been silent. He did not present himself today to the Transport and Communications Committee at 9.30 and at 3.30. He did not present himself to this House today when he should have been available for questioning. I wonder why these people were not available for questions. I wonder how long the people of Canada should wait for mail service to be available for the people of Montreal and for the hundreds and thousands of Canadians whose mail service is dependent upon transit through Montreal.

Mr. Speaker, one of the distinguished and most literal members of the press gallery some days ago described the member for Hillsborough as being a Biblical character. Perhaps I am. Perhaps my appearance does that—

Mr. Drury: Jeremiah.

Mr. Macquarrie: —or perhaps I have the capacity for forecasting ills which others will not admit.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Macquarrie: But I say to the Prime Minister, who with his usual calculated insouciance comes in here at the last moment, and to the Postmaster General, who with his studied and careful arrogance moves in at a later stage, that the people of Canada are wondering when their parcels—

Mr. Speaker: May we have order, please. I have to remind the hon. members that we are on Motions. The statement has been made, and I take the liberty of reminding the hon. member that the Standing Order requires that the comments be brief. I hope he will comply. I say very seriously that perhaps the hon. members might like to give some thought to bringing his comments to a close.

An hon. Member: Amen.

Mr. Macquarrie: May I say, Mr. Speaker, that I have been in this Parliament for 13 years and it has not been my practice to detract from the statements of other members by jeering or interference. I would say, sir, with all respect—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest to hon. members that they should give the Chair an opportunity to hear the hon. member's remarks.

Mr. Macquarrie: I was going to say, sir, that in the years I have been here I have never found it necessary to interject from a seated position against any observation made by any hon. member. I would say that in the face of a grave national emergency—the President of the Treasury Board (Mr. Drury) smiles here; he is a great smiler.

Mr. Nesbitt: He smirks.

Mr. Macquarrie: My friend says he smirks. When the people of Canada find it impossible to get their mail through the great distributing centre of Montreal, I say it is not a laughing matter. I would say, sir, that the measures which the Postmaster General threatened, then withdrew, indicate something less than a very appropriate or well-ordered minister of government. I would say, further, that when this government finds itself incapable of rendering to the people of Canada one of the most essential services, namely the delivery of mail to all the people of Canada, it should not be the object of smart aleck remarks by the Prime Minister and shrugs and smiles by the President of the Treasury Board.

• (10:00 p.m.)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the situation which has developed in Montreal is a national disaster.

Mr. Speaker: Order, please. I am just wondering whether we are not going beyond the limits of the dignity of the House by permitting hon. members to attend who are not properly attired.

Some hon. Members: Hear, hear!

Montreal Postal Dispute

Mr. Speaker: I realize it is St. Patrick's Day but I cannot accept the hon. member's dress.

Some hon. Members: Hear, hear!

Mr. Orlikow: Mr. Speaker, the situation in Montreal with regard to the delivery of mail has developed into a national disaster. In Canada's largest city, a city containing 10 per cent of our population, for weeks parcel delivery has been at a virtual standstill. Although this disastrous situation has existed for several weeks, the Prime Minister (Mr. Trudeau) waited until 9.50 tonight before making the statement alluded to by my hon. friend for Hillsborough (Mr. Macquarrie). We had no opportunity to consider it until it was made. The statement says nothing. Why is there a crisis in Montreal? There is a crisis because the Postmaster General (Mr. Kierans) has ignored the advice of the Minister of Labour (Mr. Mackasey), the advice of members of the opposition and the advice of the arbitrator appointed to look into the dispute between the Post Office and its employees. The fact that there is that dispute ought to have warned the government that the Post Office today and for some years past had lacked personnel who understand the simple fundamentals of labour-management relations.

Some hon. Members: Hear, hear!

Mr. Orlikow: What is the dispute about? Very simply, it hinges around men who have worked anywhere from five years to 20 years delivering mail who feel that as a result of the decision of the Postmaster General to award, not one contract but five different contracts they will lose the jobs they have held for many years. Most of these men are too old to find new jobs. That, of course, is not something which would concern the Prime Minister. He has never had to worry about a job; neither has his colleague, the President of the Treasury Board (Mr. Drury). This is something that concerns others, Mr. Speaker, and what has happened has resulted from the Postmaster General's lack of understanding and his lack of compassion for those who will lose their jobs.

What does the Prime Minister propose in his statement? In this serious situation he proposes that Mr. Carl Goldenberg be appointed a commissioner to inquire into the problem. Mr. Goldenberg is an expert and has brought to a successful conclusion a number of important tasks of a similar nature to which he has been assigned in years gone by. We all hope he will be as successful in settling this dispute as amicably and quickly as he has settled others in the past, and we wish him well. I submit that if the Prime Minister were concerned about settling the dispute between the Post Office Department and its employees justly and fairly, instead of appointing Mr. Goldenberg as arbitrator he would have asked for and received the resignation of the Postmaster General.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, we see, in the light of the present situation, that the postal service is badly organized.

However, the government has taken action to meet a difficult situation. I think that was the right thing to do under the circumsances and it would be untimely to be critical of the postal service. We should rather wait for the investigator's findings.

[*English*]

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. E. J. Benson (Minister of Finance) that this House approves in general the budgetary policy of the government, the amendment thereto of Mr. Lambert (Edmonton West) (page 5051) and the amendment to the amendment of Mr. Saltsman (page 5065).

Mr. Speaker: It being after 9.45 o'clock, it is my duty, pursuant to Standing Order 60(6), to interrupt the proceedings and forthwith put the question on the subamendment now before the House. Is it the pleasure of the House to adopt the said subamendment?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the subamendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on the amendment to the amendment (Mr. Saltsman) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Benjamin
Brewin
Broadbent
Burton
Cadieu (Meadow Lake)
Carter
Coates
Code
Comeau
Crouse
Danforth
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Godin
Grills
Gundlock
Harding
Hees
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Monteith
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rose
Saltsman
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stewart (Marquette)
Tétrault
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Winch
Yewchuk—87.

Division

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Breau
Brown
Caccia
Cadieux (Labelle)
Chappell
Chrétien
Clermont
Cobbe
Corbin
Côté (Richelieu)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
Drury
Dubé
Duquet
Émard
Éthier
Forest
Francis
Gillespie
Givens
Gray
Greene
Groos
Guay (St. Boniface)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kaplan
Kierans
Lachance
Laflamme
Laing (Vancouver South)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Murphy
Noël
O'Connell
Olson
Orange
Otto
Perrault
Pilon
Portelance
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Wahn
Watson
Weatherhead
Whicher—109.

• (10:30 p.m.)

Mr. Speaker: I declare the subamendment lost.

At 10.35 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

16 March 1970.

REQUIREMENTS FOR ICEBREAKING TANKER "MANHATTAN" FOR PROPOSED VOYAGE PROCEEDING INTO THE PARRY CHANNEL IN APRIL 1970

1. The ship to be drydocked for full condition survey by a steamship inspector; or, in lieu thereof, a detailed report to be produced of such a survey made since the ship was last in ice by a surveyor of Lloyd's Register of Shipping or of the American Bureau of Shipping, showing the hull, propellers and rudders to be in satisfactory condition and the ship to be still in class.

HULL:

2. Ship to be in possession of valid Safety of Life at Sea and Load Line Convention Certificates.

3. Hull of ship to be subdivided to give a one-compartment standard of subdivision.

4. Hull to be reinforced for operation in ice and be fitted with an icebreaking bow and ice belt.

5. Rudders to be strengthened and protected with ice horns for operation in ice.

6. Still water bending stress in hull not to exceed four tons per square inch for all conditions of operation.

7. Stress level of hull when breaking ice not to exceed the vessel's design stress.

8. Quantity of fuel oil carried to be restricted to the bunkers required for the voyage of the ship and the supporting icebreaker.

9. Where cargo tanks are used for the carriage of bunker fuel, only center-line tanks remote from the ship's side to be used.

MACHINERY:

10. The ship to have sufficient propulsion power to operate in heavy ice conditions which shall in any case not be less than recommended by the latest published rules of Lloyd's Register of Shipping or the American Bureau of Shipping for a vessel of its size classed for operation in ice. The astern power to be at least 35 per cent of the ahead power and be capable of being applied continuously for at least 20 minutes without overheating of the astern turbine.

11. At least two boilers to be available for propulsion which are to be well secured to the ship's structure and provided with collision chocks of adequate strength to prevent movement of the boilers when the ship is brought to a stop from full power by ice. The steam pipes between the boilers and machinery to be supported in such a way that heavy shock and vibration may be absorbed without damage to the piping or machinery.

12. Main machinery and essential auxiliary machinery to comply with the highest requirements of the latest published rules of Lloyd's Register of Shipping or the American Bureau of Shipping and shall be properly secured to withstand shock when navigating in heavy ice.

13. Means to be provided for disconnecting either of the rudders in the event that one becomes damaged or inoperable and at least two independent sources of power to be available for the steering gear.

14. The sea intakes and condenser inlets to be provided with steam or air lines, or other adequate means for removing any ice that may collect therein.

15. A marked gate valve shall be fitted to the deck above each tank in which oil is carried. This valve to be in an accessible place so that a hose or pipe may be readily connected, and to have a diameter of at least six inches and may be fitted with a readily removable blank flange.

NAVIGATION EQUIPMENT AND PERSONNEL:

16. A complete set of up-to-date charts to be provided including charts of the largest scale available for the intended area of operation together with up-to-date pilot books, tide tables, lists of lights and sound signals, radio aids to marine navigation and similar nautical publications and associated ancillary equipment.

17. The ship to be equipped with a gyro compass installation consisting of main and emergency gyros with steering repeaters at all steering positions and bearing repeaters suitably located and equipped, both gyros being suitable for high latitude operation and provided with spares and maintenance and operating manuals.

18. A marine radar installation to be provided consisting of at least two radars which meet performance standards of the Safety of Life at Sea Convention 1960 and are suitable for operating under severe weather conditions. Short range high definition capability and long range navigational capability of 45 miles or more to be provided. Spares and maintenance and operating manuals to be provided with each radar set.

19. An echo sounder installation to be provided consisting of two echo sounders each having shallow and deep sounding capability. Both sets to be provided with spares and maintenance and operating manuals.

20. One Loran AC receiver to be provided with associated lattice charts or rate tables together with spares and maintenance and operating manuals.

21. Rudder, engine revolution and rate-of-turn indicators to be provided at the conning position.

22. In addition to the normal radio communications facilities meeting international requirements and standards, VHF bridge to bridge radio telephone capability in the maritime mobile band to be provided.

23. Auto pilot equipment, if used under difficult navigation conditions, to be capable of immediate manual override and a crew member assigned to steering duties to be at the steering position.

24. An officer experienced in navigating in ice to be on board; and the crew to include personnel competent to maintain the navigation aids and equipment.

HOUSE OF COMMONS

Wednesday, March 18, 1970

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

HEALTH, WELFARE AND SOCIAL AFFAIRS

Fourth report of Standing Committee on Health, Welfare and Social Affairs, in French and in English—Mr. Isabelle.

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

[*English*]

FINANCE

AMALGAMATION AGREEMENT BETWEEN PROVINCIAL BANK OF CANADA AND LA BANQUE POPULAIRE

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I wish to inform the House that I have approved the making of an amalgamation agreement between the Provincial Bank of Canada and La Banque Populaire for submission to their shareholders as provided by sections 100, 101 and 102 of the Bank Act. Details of the agreement will be sent to the shareholders of both these banks in the near future. In giving my approval to the making of this agreement, I have satisfied myself that the public interest will be served in this amalgamation.

TRANSPORT

RAILWAY PASSENGER SERVICE ABANDONMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion in the following case of urgent and pressing necessity.

Under the National Transportation Act the Canadian National Railway and the Canadian Pacific Railway systems continue their applications to the Canadian Transport Commission for orders to discontinue or reduce passenger train service, in the case of the Canadian National, one-fifth of its passenger service and in the case of the Canadian Pacific, all of its passenger trains. The most recent in this series of which I have notice is an application by the CNR to discontinue passenger service on the Toronto-Palmerston, Palmerston-Owen Sound, Palmerston-Southampton, Stratford-Kincardine, Stratford-Goderich and Guelph-Toronto commuter services, and by the CPR from Toronto to Owen Sound.

The commission has undertaken general and specific research studies to enable it to implement the national transportation policy, and the commission has informed this House that these studies are not yet completed. It is therefore premature of the commission to grant orders to discontinue or reduce passenger train services on the basis of local ad hoc studies without informed references to the national transportation policy.

The commission should delay its discontinuance orders for the maximum one-year period allowable under section 314(7) of the Railway Act until such time as its relevant research studies now under way are completed. This delay would also permit the Standing Committee on Transport and Communications to consider the propriety of the manner in which the commission is implementing the national transportation policy.

Therefore, if the House gives unanimous consent, I intend to move that whenever hereafter the Canadian Transport Commission determines that the operation of an uneconomic passenger train service or part thereof should be discontinued, this House is of the opinion the Commission should by order fix a discontinuance date one year from the date

of the order; and that the whole question of passenger train service should be re-examined before the Committee on Transport and Communications in order that all affected bodies such as labour and municipal and provincial governments may have an opportunity to present their views on this very important national problem.

Mr. Speaker: Hon. members have heard the proposed motion. It cannot be put to the House unless there is unanimous agreement.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put at this time.

• (2:10 p.m.)

[*Translation*]

BRITISH NORTH AMERICA ACTS

CHANGE OF NAME

Mr. Gilbert Rondeau (Shefford) moved for leave to introduce Bill C-198 entitled "An Act to change the name of the British North America Acts, 1867 to 1965, to the Canadian Constitution Acts, 1867 to 1965".

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

[*English*]

ADULT OCCUPATIONAL TRAINING ACT

ELIGIBILITY OF WOMEN FOR ALLOWANCES ON BASIS OF WORK IN HOME

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill C-199, to amend the Adult Occupational Training Act.

Mr. Knowles (Winnipeg North Centre): Explain.

Mrs. MacInnis: Mr. Speaker, the purpose of this amendment is to provide that any woman who has been engaged in the domestic services of her home shall under certain conditions be deemed to have been a member of the labour force and shall be eligible for acceptance under the Act on the same basis as a man, thus making it possible for her to secure living allowance while training and in this way providing additional womanpower services for Canada.

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

Mr. McGrath: On a point of order, Mr. Speaker, I did not realize that Your Honour had passed on from motions so quickly, and there is an important matter to which I want to direct the attention of the House.

This morning the Minister of Regional Economic Expansion issued an important press release concerning a major re-organization of his department. In our view, the minister might at least have taken advantage of the provisions of Standing Order 41(2), unacceptable though that procedure would have been, to bring this press release officially to the attention of the House. This was an important statement concerning reorganization of the department and the minister's action this morning demonstrates once again the contempt in which he and the government hold Parliament. Surely the House is entitled to receive this information by way of a statement or at least to be informed of it under the provisions of Standing Order 41(2) rather than having to learn of it through the back door in the form of secondhand information from the press.

I hope the minister will at least have the good grace to follow the example set by the Minister of Transport a few days ago in similar circumstances and immediately arrange for a meeting of the Standing Committee on Regional Development in order that hon. members may have an opportunity to ask questions and examine in detail this major statement of policy which the hon. gentleman did not have the courtesy to make in the House.

Some hon. Members: Hear, hear.

CRIMINAL CODE

THEFT—INDICTABLE OFFENCE—CHANGE IN VALUE OF PROPERTY STOLEN

Mr. Robert C. Coates (Cumberland-Colchester North) moved the first reading of Bill S-21 (from the Senate), to amend the Criminal Code.

Motion agreed to and bill read the first time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

POSITIONS AND SALARY, J. WATSON MACNAUGHT

Question No. 183—**Mr. Nystrom:**

1. What was the annual salary of J. Watson MacNaught, former Chairman of the Dominion Coal Board?

2. When did Mr. MacNaught resign as Chairman of the Dominion Coal Board?

3. When was Mr. MacNaught appointed as Special Advisor to the Deputy Minister of Energy, Mines and Resources?

4. What is Mr. MacNaught's present annual salary?

5. What are Mr. MacNaught's responsibilities and specific functions as special advisor?

6. Was there a public service competition for this position, and, if not, for what reason?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. Salary range $19,000 to $23,500 a year.

2. Mr. MacNaught's appointment as Chairman of the Dominion Coal Board was terminated on July 17, 1969.

3. His appointment to Energy, Mines and Resources took effect on July 18, 1969.

4. The salary now being paid to the Hon. J. Watson MacNaught is the same as that paid to him as Chairman of the Dominion Coal Board. This salary is within the range from $19,000 to $23,500 a year.

5. Mr. MacNaught is adviser to the Deputy Minister on coal during the transition period immediately following changes in the organizational structure of Dominion Coal Board. In this capacity, he has been asked to review, in detail, federal government involvement with the coal industry, past and present, with a view to developing an effective federal course of action for the future.

6. No. This was an appointment to the exempt staff rather than a public service appointment. It was desired to utilize immediately the special knowledge and understanding of coal problems and of the Board's role which Mr. MacNaught gained as Chairman. He is being paid from the Departmental administrative budget.

RESEARCH, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Question No. 614—**Mr. Comeau:**

1. In 1968-69 and 1969-70, what were the estimated sums spent on research in the Department of Industry, Trade and Commerce and what was the purpose of each research project?

2. How much money was actually expended according to Dominion Bureau of Statistics figures?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Expenditures made by the Department in fiscal year 1968-69 and estimates of the Department for fiscal year 1969-70 for research and development in engineering and natural sciences only are as follows:

Questions

	1968-69 Expenditures[1]	1969-70 Estimates[2]
	$ thousands	
(1) Industrial Research and Development Incentives Act (IRDIA) General incentives to industry for the expansion of scientific research and development in Canada.	19,592	34,400
(2) Program for the advancement of Industrial Technology (PAIT) To advance the technological capability of Canadian manufacturing industry by supporting selected civil (non defence) development projects.	4,304	11,000
(3) Defence Industry Productivity Program (DIP) To develop and sustain the technological capability of Canadian defence industry for the purpose of defence export sales or civil export sales arising from that capability by supporting selected development programs.	21,225	24,000
(4) Industrial Research Institutes Grants to universities to assist in establishing and maintaining industrial research institutes.	146	450
(5) Miscellaneous Research and Development Contracts	571	—
(6) Grants to Industrial Research Associations Grants to industrial research associations to promote research, development and related scientific activities.	—	100
	46,839	69,950

[1] Figures provided by the Comptrollers Branch.

[2] Figures published in Main Estimates for 1969-70.

In addition, the following sums were provided in the estimates for the National Design Council Scholarships and Grants program. These provisions were for design study, design promotion and design research. 1968-69, $220,000; 1969-70, $127,000.

Expenditures for the fiscal years were as follows: 1968-69, $137,247; 1969-70, $114,588 (To January 15, 1970).

In so far as the Dominion Bureau of Statistics is concerned: 2. The Dominion Bureau of Statistics does not have actual expenditures on research for 1968-69 and 1969-70. A survey requesting information on actual expenditures for 1968-69 and estimates for 1969-70 on research in the natural and engineering sciences is in process.

[Mr. Pepin.]

MUD RIVER, ONTARIO—INVESTIGATION INTO ICE CONDITIONS

Question No. 817—**Mr. Peters:**

1. Did the RCMP receive any correspondence from a Canadian citizen in Northern Ontario regarding a request made to him by the United States Army Corps of Engineers to report on local ice conditions in the Mud River area and, if so (a) did the RCMP undertake an investigation into the above area (b) what are the results of the investigation?

2. Is it common practice for the United States Army to approach a Canadian citizen directly for information instead of going through the Canadian Government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Yes; (a) No. The matter was referred to the Under-Secretary of State for External Affairs; (b) In a statement made in the House by the Minister of Energy, Mines and Resources on February 24, 1970 the background to the requests made to Canadian citizens by the Corps of Engineers to report physical data on ice and weather conditions in the Canadian part of the Great Lakes Basin was explained. It was stated that in informal working level discussions about three years ago, the United States Army Corps of Engineers had sought assistance from scientific officers of the Meteorological Branch of the Department of Transport in carrying out a survey designed to provide information for research on the effects of ice formation and ice decay on navigation in the Great Lakes. It was believed that the information to be obtained would be valuable to Canada, and it was suggested that Canadian observers living around the Lakes might be hired to gather data. It was also indicated that the Corps of Engineers requested Ontario Provincial Police assistance in obtaining names of observers and that these observers were contracted on a personal basis by the U.S. Army Corps of Engineers. It was noted that the Corps' data collection program on the Canadian portion of the lakes ended in November, 1969 and that the Corps now has no Canadian observers under contract.

It also should be noted that all the information from the activity has been made available to the International Great Lakes Study Group, an informal body consisting of representatives of the governments and universities in Canada and the United States. One result of the Corps' investigation has been the publication by the Corps of a Great Lakes Ice Atlas which was presented to the 11th Meeting of the Pan-American Consultation on Cartography.

2. No.

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION—RETENTION OF CONSULTANTS

Question No. 897—**Mr. Coates:**

1. How many consultants not associated with the Public Service of Canada have been retained by the Department of Regional Economic Expansion since its establishment?

2. What are the names of the firms or individuals retained, what was the reason in each instance for retaining the service and what was the cost in each instance where a firm was involved and what was the fee and expense where an individual or individuals were involved?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. 39.

2.

Name	Service	Fee
		$
Franco Traddle	Editing	585
B. G. Cook	Research in information systems	13,000
S. Searle	R. D. Training Team	19,250
Connor Development Limited	R. D. Training Team	19,250
P.-Y. Pepin	Editing of Saguenay Lac St-Jean report	4,000
ABT Associates	Evaluation of N.B. FRED Plan	98,750
Winthrop Adkins	Advisory services to Social and Human Analysis Division	600
F. Bayliss	NewStart graphics	4,800
Giles Beaudet	Study of Parent radar station conversion	4,000
Canadian British Engineering	Gaultois water supply study	Project Under Review
Certec Inc.	Implementation study	4,850
Bruce Cook	Mapping systems study	13,000
Creative Sight and Sound Ltd.	NewStart audio-visual project	1,500
M. Deskins	Advisory services N.S. NewStart	250

Questions

Name	Service	Fee $
Ernst and Ernst	Analysis of experimental projects in human resources development	2,100
Ernst and Ernst	Planning study	22,000
George Frail	Project engineer, Avon River Causeway Dam	24,000
Hickling-Johnston Limited	Interlake FRED management study	40,650
Benjamin Higgins	Study of socio economic problems in Quebec	4,000
Lalonde Valois Lamarre Valois Associates	Transportation study of Gaspé region	225,000
Jean B. Lanctôt	Study of adaptive services to migrants and immigrants	2,100
M. W. Mackenzie	Federal provincial committee for Saint John industrial complex	15,000
F. Martin	Study of socio-economic problems Quebec	4,000
Dr. S. Rosenberg	Advisory services—Social and Human Analysis Division	4,500
V. Rossiter	Project director—Nfld. Fisheries Household Resettlement Program	10,000
M. Scheffknecht	Advisory services—N.S. NewStart	250
La Société Sotar	Cantons de l'Est tourism study	1,000
J. C. Wickett	Study of nutritional levels in selected population areas	5,000
Christina Wright	Cataloguing services	1,020
William Erasmus	Advisory Services Alberta NewStart	100
Lawrence Spence	Advisory Services Alberta NewStart	100
Veronica Morin	Advisory Services Alberta NewStart	100
Eastern Designers Limited	Saint John Water Supply Study	60,000
Shawinigan Engineering Ltd.	Saint John Water Supply Study	24,000
Alphatex Systems Limited	Computer addressing system	1,625
McGill Computing Science Centre	System for generating target populations	1,100
B. Schwartz	Advisory services—N.S. NewStart	250
J. Parikhal	Regional Migration Study	1,000
A. Raynaud	Study of socia-economic Quebec	4,000

LANGUAGE TRAINING SCHOOLS

Question No. 951—**Mr. Lambert (Bellechasse):**

1. How much did the Canadian Government spend on the Language Training Schools for the years 1965-66-67-68-69?

2. How many students took part in these courses?

3. How many were civil servants and how many were Members of Parliament?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. The amounts spent on language training in schools operated by the Public Service Commission in each fiscal year were: 1965-66, $753,000; 1966-67, $2,101,417; 1967-68, $3,939,497; 1968-69, $4,142,976.

Amounts spent by the Department of Public Works: 1965-66, $77,768; 1966-67, $111,668; 1967-68, $656,795; 1968-69, $2,007,813.

2. The number of students enrolled in Public Service Commission schools in each

academic year was: 1965-66, 2,793; 1966-67, 3,188; 1967-68, 5,642; 1968-69, 4,525.

N.B. There were a number of students, in each academic year since 1966-67, who were enrolled in a previous year's course.

3. The records of the Public Service Commission indicate that 25 Members of Parliament were enrolled in its schools during the period 1965-69. With very few exceptions, the balance of the student population was made up of public servants, including officials of Crown Corporations, members of the Armed Forces and R.C.M.P., and officials of other Canadian Government institutions and agencies.

GUIDELINES RESPECTING NATIONAL PARK RESIDENTS

Question No. 1,036—**Mr. Forrestall:**

1. Are the guidelines established with respect to permanent residents in areas being taken over for the purpose of establishment of our National Parks and, if so, what are they?

2. Are the guidelines established with respect to summer residents in areas being taken over for the purpose of establishment of our National Parks and, if so, what are they?

3. Is a policy of extending life occupancy to existing owners of private homes being followed and, if not (a) for what reason (b) what is the policy with respect to permanent residents, and to owners of summer residences?

4. Is the creation of "enclaves" within Park Boundaries permitted for such purposes as preserving long established and thriving fishing communities and (a) if so, is this possible under present policies covering zoning (b) if not, for what reason?

5. What policies are presently in effect with respect to churches, cemeteries, schools and other non-private institutions?

6. What policies are presently in effect with respect to small private industry such as boat yards for the construction of inshore fishing boats?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1 and 2. The National Parks Policy tabled in the House of Commons in 1964 provides that the province should obtain the land for proposed parks and turn it over to the Federal Government free from all encumbrances. In the event that permanent or summer residences exist, therefore, the province acquires these before the park is established.

3. (a) No, but exceptions in extraordinary circumstances have been made. Life occupancy provides a special privilege for the persons concerned and must be strictly controlled. (b) Permanent residents are not normally permitted in National Parks. However, size and other special factors are considered in reaching a decision if, for example, a person is required to serve the National Park or Park services. In acquiring lands for National Parks, the policy, in effect for some years, is not to grant life occupancy privileges with respect to summer residences. All existing private summer homes will be acquired in time.

4. Under present policy, enclaves are not permitted within park boundaries. Commercial operations which have no connection with a national park have no purpose in a national park. Such a resource harvest is in conflict with park uses. In larger parks visitor service centres must be provided. In some cases, subject to appropriate zoning agreements, these can function as enclaves.

5. When a national park is created, the province usually acquires public institutions as a matter of equity. The people who used these facilities have moved and the funds provided permit them to re-establish elsewhere. Cemeteries, of course, are a special category.

6. Present policy states that private industry for purposes not directly related to national parks (i.e. boat yards for the construction of inshore fishing boats) will not be permitted within park boundaries.

AUTOMOBILE SAFETY—EXPERIMENTAL VEHICLE

Question No. 1,114—**Mr. Mather:**

1. Is consideration being given to constructing a prototype safety automobile to reduce crash dangers?

2. Is consideration being given to co-operating with the United States' Department of Transport in the latter's safe-car construction project?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. No.

2. No.

MANAGEMENT OF OTTAWA STATION

Question No. 1,124—**Mr. Isabelle:**

1. Does the Ottawa Terminal Railway Company manage the Ottawa Station and, if so (a) who are the members of the company's executive (b) in what year was the company established?

2. If the Ottawa Terminal Railway Company does not manage the Ottawa Station, who is responsible for its management?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advise as follows: 1.

There is no such company as the Ottawa Terminal Railway Company.

2. The Ottawa Station is administered by Canadian National Railways under a "Joint Facility" agreement between Canadian National Railways and Canadian Pacific Railway, entered into October 4, 1967.

SOCIAL WORK TRAINING GRANTS

Question No. 1,130—**Mr. Orlikow:**

1. How much money has been allocated under the welfare training grants to help pay for the education of people desiring to improve their qualifications in the field of social work?

2. How many people are now at recognized professional schools under the provisions of these grants?

3. What are the amounts of the bursaries provided?

4. Has any money been allocated for research projects in the field of social service?

5. Have any plans been developed for research into appropriate use of sub-professional staff in the field of social welfare?

Hon. John C. Munro (Minister of National Health and Welfare): 1. During the fiscal year 1969-70, a total of $261,700 has been expended in direct support programs and programs shared with the provinces toward education in the field of social work.

2. 148.

3. Bursaries shared with the provinces, approximately $2,000 each*; Direct support scholarships, $2,500 each; Direct support fellowships, $4,000 each.

*Amounts determined by the provinces.

4. During the fiscal year 1969-70, an amount of $500,000 has been allocated for research in the field of social welfare. An amount of $300,000 was available during the current fiscal year for research and demonstration activity in the welfare aspects of mental retardation.

5. The Children's Aid Society of Vancouver is conducting a research study in the use of non-professional personnel and, in particular, case aides. Other research or demonstration activities in this general field are in a developmental stage.

CYCLAMATE BAN—COST TO FOOD AND BEVERAGE INDUSTRIES

Question No. 1,143—**Mr. Southam:**

1. Based on the government's decision last fall to bar cyclamates in Canada following the U.S.A. action, has a study been made to assess the cost of this order on the food and beverage industry in Canada?

2. Has any consideration been given to some form of compensation for losses incurred in these industries as a result of this decision?

Hon. John C. Munro (Minister of National Health and Welfare): 1. No study has been made to assess the losses suffered by the food and beverage industries in Canada following removal of cyclamates from food products.

2. No consideration has been given for the compensation of losses incurred by these industries in view of the fact that the cyclamates were removed from foods to protect the health of Canadians.

AIR CANADA SHAREHOLDING IN AIR JAMAICA

Question No. 1,182—**Mr. Godin:**

1. Does Air Canada hold shares in Air Jamaica, and, if so, what is their total value?

2. Has Air Canada transferred any planes to Air Jamaica, and, if so, (a) how many (b) what model (c) at what price?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows: 1. Air Canada holds shares in Air Jamaica and their total value is $8,408,000.

2. (a) One; (b) Douglas Model DC-8-61; (c) The actual price is not a matter Air Canada feels free to disclose without the consent of Air Jamaica.

CAPE BRETON DEVELOPMENT CORPORATION —EXPROPRIATION PROCEDURES

Question No. 1,188—**Mr. Fortin:**

1. What is the status of the expropriation procedures undertaken by Cape Breton Development Corporation on March 30, 1968?

2. For what reason has the expropriation not been settled to date?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1 and 2. The actual expropriation procedures have been completed but the determination of the compensation payable as a result of the expropriation has not yet been made, pending approval of appraisal data recently concluded.

[*English*]

STUDENT SUMMER EMPLOYMENT

Question No. 1,196—**Mr. Orlikow:**

1. What number of High School and University students were registered with Canada Manpower Offices for summer employment in the months of May, June, July and August for the years 1967, 1968 and 1969?

2. Of this number, how many were placed for employment and how many was the Department unable to place for employment in each of the above months for each of the above years?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): In so far as the Department of Manpower and Immigration is concerned: 1. As stated in my answer to Question No. 631 on December 9, 1968, (*Hansard* p. 3647) statistics on the number of students registered with Canada Manpower Centres for summer employment for the years 1967 and 1968 were not compiled separately. As far as 1969 is concerned, the number of High School Students registered with Canada Manpower Centres is as follows: May, 34,462; June, 53,415; July, 43,891; August, 19,046.

Statistics for University Students have not been compiled separately. They are a part of the statistics on Post-Secondary Students which include, apart from universities, community colleges and technical institutions. The number of these Post-Secondary Students registered with Canada Manpower Centres for the year 1969 is as follows: May, 21,813; June, 11,919; July, 11,388; August, 4,003.

2. Again, as stated in my answer to Question No. 631, (*Hansard* p. 3647 December 9, 1968) statistics for 1967 and 1968 are not available. During the summer of 1969, statistics on the number of referrals and placements have been kept separately. The number of students the department was unable to place for employment cannot be determined completely, the reason being that a large number of students do not report to Canada Manpower Centres results of referrals. However, confirmed placements which have been reported to us during the months of May, June, July and August 1969, are as follows:

	High School Students	Post-Secondary Students
May	1,447	12,389
June	8,643	10,637
July	16,293	6,179
August	9,422	4,567

DEPARTMENT OF MANPOWER AND IMMIGRATION—EMPLOYMENT ON CONTRACT BASIS

Question No. 1,199—**Mr. Orlikow:**

1. (a) How many individuals have been employed on a contract basis by the Department of Manpower and Immigration since the Department was established (b) what is the name and qualification of each person who has been employed under each individual contract since the Department was established (c) what has been the daily, weekly, monthly or annual salary for each person working under a contract for the Department (d) how much *per diem* did the Department of Manpower and Immigration pay for those individuals under contract while (i) in travel status (ii) at headquarters?

2. How many individuals are now working under contract for the Department of Manpower and Immigration and to what specific branch or branches in the Department are they assigned?

3. Could the work performed by individuals under contract be performed by the regular staff of the Department?

4. Are individuals employed under contract by the Department of Manpower and Immigration being hired through (a) Public Service Commission (b) Department of Manpower and Immigration?

5. What desirable qualifications are required for those positions and what are the *criteria* used in making the selection in each case?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. (a) Twelve.

(b) Name	Qualification	(c) Annual Salary
Bissonnette, E.	Professional Consultant	$13,000
Bollen, J.	Training Specialist	19,000
Brooker, W. M. A.	Training Consultant	15,000
Dewis, G.	Professional Consultant	14,500
Fletcher, A.	Senior Technical Writer	14,500
Freisen, P. A.	Senior Technical Writer	16,800
McLean, C. (Miss)	Professional Consultant	15,000
Nault, C. (Mrs.)	Professional Consultant	10,000
Stevens, W. R.	Regional Training Manager	18,000
Thibodeau, G. H.	Regional Training Manager	18,000
Whitney, R. C.	Regional Training Manager	18,000
Zeitoun, L.	Professional Consultant	15,000

(d) (i) $22,187.62; (ii) Nil.

2. Nil.

3. No.

4. (a) No; (b) Yes.

5. There were no desirable qualifications specified for these positions. The criterion used in making the selection in each case includes the following essential qualifications: a Bachelor's Degree in education, psychology, social work or business administration; five or more years experience in the field of staff training and development at a senior level; and the ability to manage, communicate and maintain effective interpersonal relations.

AIR CANADA—ADVERTISING EXPENSES

Question No. 1,219—**Mr. Skoberg:**

1. How much did Air Canada spend in the past fiscal year advertising Florida (a) on television (b) in the printed media?

2. How much did Air Canada spend in the past fiscal year advertising places in Canada (a) on television (b) in the printed media?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows: 1. (a) and (b) $329,618.

2. (a) and (b) $3,179,101.

LEGAL OPINION, PHOSPHATE DETERGENT BAN

Question No. 1,244—**Mrs. MacInnis:**

Did the Minister of Energy, Mines and Resources or his departmental officials request a legal opinion from the Justice Department regarding the ability of the Government of Canada to enforce a ban on phosphates and laundry detergents and, if so, what opinion was offered by the Department of Justice?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Any communication between the Department of Justice, and the Minister is, in the normal manner, privileged communication.

*FINANCE—CRITICISM OF WHITE PAPER

Question No. 1,265—**Mr. Diefenbaker:**

How many letters, telegrams and/or other communications criticizing or condemning the White Paper in whole or in part have been received by the Minister of Finance since the 1st of January, 1970?

Hon. Herb Gray (Minister without Portfolio): Mr. Speaker it is not possible to answer this question in a completely accurate way because of the problems of classification. Many letters state their general approval of the white paper but offer suggestions for changing one or more proposals. Some letters comment only on features of the tax system not dealt with in the white paper proposals. Coupons and form letters submitted as part of an organized campaign against particular proposals have not been enumerated. However, during the period January 1, 1970 to February 18 some 5,300 communications were received, of which approximately 3,000 would have been critical of the white paper, in whole or in part.

AIR CANADA—EMPLOYMENT OF STEWARDESSES

Question No. 1,268—**Mr. Dinsdale:**

1. How many stewardesses are employed by Air Canada?

2. How many of these stewardesses are based in (a) Halifax (b) Montreal (c) Toronto (d) Winnipeg (e) Calgary (f) Edmonton (g) Vancouver?

3. How many stewardesses are bilingual in English and French and, of these, how many have (a) English (b) French, as their mother tongue?

4. Is bilingualism in English and French a prerequisite for employment with Air Canada as a stewardess and, if so, when was this policy initiated?

5. (a) What happens to non-bilingual applicants for the position of stewardess (b) how many applicants have been turned down on language grounds during the past two years?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Management of Air Canada advises as follows: 1. 1,393. In addition, number of pursers employed, 211.

2.	Stewardesses	Pursers
(a)	nil	nil
(b)	640	108
(c)	493	81
(d)	136	nil
(e)	nil	nil
(f)	nil	nil
(g)	124	22

3. Number of bilingual (English-French) stewardesses, 762; (a) Number of flight attendants (stewardesses and pursers) not having French as mother tongue (English, German, Scandinavian, Spanish, etc.) 1,148; (b) Number of flight attendants (stewardesses and pursers) having French as mother tongue, 456. (All figures are as of January 31, 1970).

4. Bilingualism is not a prerequisite for employment by Air Canada as a stewardess, but the Company has an increasing requirement for both bilingual and multilingual

flight attendants to satisfy its commercial objectives in serving passengers who speak both official languages of Canada and in serving passengers from other countries on the Air Canada international route structure. Because of this, Air Canada has, over the years, been increasing the proportion of multilingual and bilingual flight attendants. Of the four bases maintained for flight attendants, the Montreal base has for some years carried with it a requirement for total bilingual capability and, more recently, it has been the company objective to increase the proportion of bilingual staff available at the other three bases—Toronto, Winnipeg and Vancouver—in relation to the need existing at these points.

5. The qualifications for flight attendants are stringent, and for some time it has been the policy of the Company, if other qualifications are met, to give additional preferential ratings for bilingual capacity for the reasons indicated above. This has not meant exclusion of unilingual English-speaking applicants, but rather a strengthening of the rate of bilingual and multilingual intake. The Company has been fortunate in receiving applications from persons having bilingual capability from all parts of the country, so that its recruiting can be carried on on a wide national basis.

QUEBEC—CROP INSURANCE ACT

Question No. 1,286—**Mr. Beaudoin:**

1. On what date was the Crop Insurance Act implemented in Quebec?

2. Is it a joint plan and, if so (a) who are the partners (b) what percentage is each responsible for financially?

3. What percentage must each of the partners pay (a) for the administration of the said Act (b) for the compensation paid to the insured?

4. Since the implementation of the said Act, by year (a) how many Quebec farmers have joined this crop insurance plan (b) how many Quebec farmers have submitted claims and for what amounts (c) how many Quebec farmers have been compensated and in what amounts (d) what was the total amount invested by each of the partners (e) what were the total premium receipts?

Hon. H. A. Olson (Minister of Agriculture): 1. The Crop Insurance Act has not been implemented in Quebec since the program established in that province does not meet all the conditions of the Act. Canada has shared costs on the authority of a Vote Title of the Quebec crop insurance program to assist the province in developing the program so that they may come under the Crop Insurance Act as soon as possible.

2. and 3. The crop insurance scheme operates with contributions from farmers and the two governments. Quebec administers the program with advice from farmers and from the Government of Canada. Administrative expenses are shared equally by the Government of Quebec and the Government of Canada.

Farmers pay 50 per cent of insurance premiums levied, the government of Quebec pays 25 per cent and the Government of Canada pays 25 per cent.

The Government of Quebec is responsible for any monies required to pay indemnities that are in excess of all premiums collected.

4. (a) In 1968-69, 19,177 farmers purchased insurance; In 1969-70, 16,400 farmers purchased insurance. (b) The Quebec Crop Insurance Board has not reported the exact number of farmers who submitted claims. It is estimated approximately one-half of the farmers insured submitted claims. (c) The Quebec Crop Insurance Board has not reported the exact number of farmers paid for losses in 1968-69. The Board reports approximately $4,850,000 paid to farmers who bought insurance in 1968. Claims for the insurance year 1969-70 are now in the process of being paid therefore the number of farmers paid and the amount of payments have not been reported by the Quebec Crop Insurance Board.

(d) and (e)	1968-69	1969-70 (9 months)
Premium Receipts		
Farmers	$1,062,592	$1,078,790
Quebec	531,296	539,395
Canada	531,296	539,395
	$2,125,184	$2,157,580
Administration		
Quebec	$ 668,704	$ 433,338
Canada	668,704	433,338
	$1,337,408	$ 866,676
Indemnities in Excess of Premium Revenue		
Quebec	$2,725,000	

ATHABASCA CONSTITUENCY—PUBLIC WORKS PROJECTS

Question No. 1,307—**Mr. Yewchuk:**

1. What new structures, and at what cost in each case, have been built by the Department of Public Works in the constituency of Athabasca within the past fiscal year?

Questions

2. What structures, and at what cost in each case, are contemplated for construction during the present fiscal year, within the constituency of Athabasca?

Hon. Arthur Laing (Minister of Public Works): 1 and 2.

Fiscal Year	Location	Structure	Cost
1968-69	Fort McMurray	Floating Wharf	$ 2,803.
	Kinuso	Post Office	Build-to-Lease basis
	Plamondon	Post Office	Build-to-Lease basis
1969-70	La Crete	Post Office	41,923.
	Nampa	Post Office	31,700.

LEVEL CROSSING TRAFFIC TIE-UPS

Question No. 1,313—**Mr. Orlikow:**

1. How many complaints have been received by the Board of Transport Commissioners from each province in each of the past ten years in respect to train stoppages at level crossings which bring about traffic tie-ups?

2. Did the Board of Transport Commissioners investigate these complaints and, if the complaint was verified, what action did the Board of Transport Commissioners take?

3. Were any of the complaints followed by prosecutions in the Courts and, if so, (a) on what dates (b) at what locations (c) by whom were the prosecutions carried out (d) what were the results of the prosecutions?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advise as follows: 1. No statistical records of this type are maintained.

2. The Railway Transport Committee investigates any complaints received and undertakes remedial action with the railway concerned.

3. No statistical records of this type are maintained.

MANPOWER POLICY—CHANGE TO ASSIST POOR CANADIANS

Question No. 1,359—**Mr. Robinson:**

Will the federal government consider changing the Manpower Policy so that a large number of "poor" Canadians, who are able and anxious to work but are unemployed, under-employed or seasonally employed and lack the prerequisite education and job skills for secure employment, will be assisted?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Federal manpower programs are having a direct anti-poverty effect by facilitating the placement of workers in employment, providing training and vocational rehabilitation, information about job opportunities, and financial help for workers to explore these opportunities and relocate if necessary.

A basic function of the Department of Manpower and Immigration is to bring together workers and jobs. Canada Manpower Counsellors are making about 700,000 placements in employment annually. A great many of the persons placed are poor, or would have sunk below poverty levels had jobs not been found for them.

The Canada Manpower Training Program significantly helps poor workers. The proportion of the poor among those who apply for and receive Occupational Training for Adults training is more than twice as high as among the population at large. In 1968-69, for instance over $100,000,000 were spent on training poor people that year. It is expected that some $120,000,000 will be spent on the poor this year.

Training is also directed toward the relatively uneducated. Based on 1968-69 figures roughly 16.5 per cent of all O.T.A. trainees referred for full-time training have eight or less years of education in public institutions or in apprenticeship.

The program not only enhances the employability and earning power of its graduates but also directly attacks seasonal employment to which the poor are particularly vulnerable. This year roughly four times as many trainees are taking courses during the seasonally slack period January to March as took courses last June, July and August peak employment period.

The program's expenditures have been deliberately directed toward those geographic regions with the highest incidence of need as indicated by their unemployment and

poverty rates. This factor is illustrated by the following table:

Region	O.T.A. Expenditures Per Labour Force Member 1968-69	Unemployment Rates 1968	Poverty Incidence* 1961
	$	%	%
Atlantic	41.07	7.3	47.7
Quebec	29.59	6.5	30.8
Ontario	21.52	3.5	23.0
Prairie	19.62	3.0	31.2
Pacific	11.36	5.9	26.9
Canada	24.04	4.8	29.1

*Family heads and unattached individuals.

A survey of the 1968-69 O.T.A. trainees taken three months after they graduated showed that where only about 40 per cent had jobs when they entered training (and many of these were on the point of losing them) close to 80 per cent were employed after training. The earning power of the average graduate also rose by close to 20 per cent as a result of training.

The Canada Manpower Mobility program helps workers who are unemployed or underemployed and for whom there are no suitable jobs available locally. Many of these workers, particularly with large families are poor. The program says their complete cost of moving and provides an additional resettlement allowance based on family size which may exceed $1,000, and a housing allowance that will be $1,500 if the worker has to sell his old house and buy another in the new area. Expenditures in exploratory and relocation grants will rise from $4.2 million in fiscal 1968-69 to close to $6 million this current fiscal year.

The Department of Manpower and Immigration participates with the provinces in the administration of the Vocational Rehabilitation of Disabled Persons Act. The goals of this legislation have broadened from the rehabilitation of the physically and mentally disabled to include the socially and psychologically disadvantaged. As a result, the federal share of a rapidly expanding expenditure has grown from some $1 million in 1966-67 to an estimated $5.3 million this year.

The Department of Manpower and Immigration provides strong support to the continuing initiatives in regional expansion. The Department of Manpower and Immigration is investing heavily in existing FRED programs, as shown by the following figures:

Interlake, $18.9 m., 10-year plan commencing April 1, 1967; Mactaquac, $2.3 m., 10-year plan commencing April 22, 1966; Northeast N.B., $25.4 m., 10-year plan commencing September 1966; Lower St. Lawrence, $92.0 m., 5-year plan commencing April 1, 1968; P.E.I., $6.5 m., 15-year plan commencing April 1, 1969.

By co-operating and integrating federal employment, trading, and mobility programs with Regional Economic Expansion programs that stimulate industrial expansion and social capital, Manpower measures obviously are going a long way towards easing the plight of the poor and ensuring a regionally more equitable division of income and employment opportunities throughout Canada.

BORDEN-CAPE TORMENTINE FERRY SERVICE—ADDITIONAL SHIPS

Question No. 1,368—**Mr. MacLean:**

1. What completion date was specified in the contracts for the construction of the two additional ships for the Borden-Cape Tormentine ferry service?

2. Is it expected that these ships will be completed on schedule?

3. Does the design of these ships include sleeping accommodation for crews and, if not, what would be (a) the estimated additional delay of completion (b) the estimated additional cost required to provide such sleeping accommodation for the crews of these ships?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): 1. 15 April, 1971 and 1 May, 1971.

2. Yes.

3. Present design of the ships does not include sleeping accommodation for crews and such accommodation could not be incorporated without completely redesigning the ships. (a) Estimated delay 18/24 months. (b) Estimated additional cost $3.3 m.

(This answer has been prepared in co-operation with the Department of Supply and Services.)

MANPOWER RE-EDUCATION AND RETRAINING

Question No. 1,397—**Mr. Chappell:**

How much money has the federal government expended during each of the past two years for Manpower re-education and retraining (a) by institutional or school class instructions (b) by incentive to industry?

Questions

Hon. Allan J. MacEachen (Minister of Manpower and Immigration):

	1968-69	1969-70[1]
(a)	185,500,000	231,676,000
(b)	4,467,000	9,768,000

[1]Planned

TAX EXEMPTION FOR CONTRIBUTIONS TO CANADIAN COUNCIL FOR FAIR TAXATION

Question No. 1,425—**Mr. Orlikow:**

Has the Canadian Council for Fair Taxation applied for an exemption from income taxes for contributions made to that organization as a charitable or educational organization?

Hon. Jean-Pierre Côté (Minister of National Revenue): No.

NATIONAL REVENUE—INCOMES UNDER $3,000

Question No. 1,446—**Mr. Chappell:**

In 1967, how many taxpayers reported incomes under $3,000 and what percentage of this group were (a) students or housewives doing part-time work (b) seasonal employees?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1,665,920. No information is available concerning (a) and (b).

MANPOWER RETRAINING AND INSTRUCTION, MANICOUAGAN

Question No. 1,456—**Mr. Blouin:**

During the present fiscal year what amount was spent by the Department of Manpower and Immigration on re-training and general instruction courses for adults in the constituency of Manicouagan?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): It is estimated that the Department of Manpower and Immigration, in fiscal year 1969-70, will spend approximately $4,073,244 on adult training in the constituency of Manicouagan, broken down as follows: Training Allowances, $2,669,307; Purchase of Training, $1,403,937.

[*English*]

HOURLY WAGE RATES, CANADIAN FORCES BASE, VALCARTIER

Question No. 1,458—**Mr. Godin:**

Is the government contemplating revision of the hourly wage rates currently paid to casual employees at the Canadian Forces Base, Valcartier and, if so, is it intended to increase these rates to make them comparable to those paid locally to workers in the same category?

[Mr. Chappell.]

[*Translation*]

Mr. David W. Groos (Parliamentary Secretary to Minister of National Defence): No. Under the regime of collective bargaining which was introduced in the Public Service by the Public Service Staff Relations Act the government is paying the rates which were negotiated between the Treasury Board and the Bargaining Agent representing the members of the General Labour and Trades Group in the Quebec area. These same rates apply also to the casual employees at Valcartier. The collective agreement governing the terms and conditions of employment for this Group expired on 30 September, 1968, but continues in force by agreement of the two parties until a new contract is signed. The parties to the agreement are now in the process of bargaining a new collective agreement which will be effective 1 October, 1968. The government will pay any rate revisions, which may be agreed to, retroactively to that date.

[*English*]

*AGRICULTURE—VOLUME OF GRASS SEEDS

Question No. 1,459—**Mr. Diefenbaker:**

1. What is the volume and value of each of the several varieties of grass seeds in storage in Canada which will be suitable for seeding this Spring by prairie farmers?

2. What steps are being taken by the government to obtain necessary supplies of the various varieties of grass seed for said farmers?

3. From what countries has the government made arrangements to secure imports of such needed varieties of grass seed?

[*Translation*]

Mr. Florian Côté (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the answer to that question is as follows: 1. There are statistics on the volume of grass seeds held by the main seed processing firms in Canada as at January 31, 1970. They are given on page 2 of the DBS daily bulletin for Thursday, March 5, 1970. We have no figures on the value of such seeds.

2. Government officers met with representatives from the Canadian Association of Seed Dealers in order to examine the importance of the western program and the condition of seed supplies. It has been estimated that they will be adequate to provide the necessary grass seeds for the acreage eligible for payments under the program for reducing wheat stocks.

3. None.

[*English*]

PENSION OF RETIRED CAPE BRETON DEVELOPMENT CORPORATION EMPLOYEE

Question No. 1,505—**Mr. Muir (Cape Breton-The Sydneys):**

1. Has the Minister of Regional Economic Expansion received a letter from Mr. Pius Hennessey, Secretary of the Sydney Mines Pensioners Union, on behalf of Mr. Alfred Pendergast, a former employee of the Cape Breton Development Corporation, protesting the treatment of this gentleman in regard to the pre-retirement pension?

2. Has a complete investigation of this workman's case been undertaken by the Minister and, if so (a) what did this investigation consist of (b) what was the nature of the reply provided Mr. Hennessey (c) what consideration has been or will be given to Mr. Pendergast regarding pre-retirement compensation?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. Yes, on March 9.

2. The Cape Breton Development Corporation, which is a Crown corporation, has been asked for a full report, and any appropriate resulting action will be communicated to Mr. Pendergast and others concerned.

COMPANIES AFFECTED BY BANNING OF CYCLAMATES

Question No. 1,506—**Mr. Rynard:**

1. How many companies were affected by the decision to ban cyclamates?

2. What was the total loss to companies with stocks containing cyclamates?

3. Has any compensation been paid to these companies?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Not available.

2. Not available.

3. No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

Question No. 221—**Mr. Orlikow:**

1. How many deputy ministers and assistant deputy ministers were there in each department of the government as of September 1, 1963, 1965, 1967, 1969?

2. What were their annual salaries?

Return tabled.

FOOD PRODUCTS FRAUD

Question No. 500—**Mrs. MacInnis:**

1. For the fiscal years 1966-67, 1967-68 and that part of 1968-69 which still come under the responsibility of the Food and Drug Directorate of the Department of National Health and Welfare, what firms or companies were charged with economic fraud in food and food products?

2. For that part of the fiscal year 1968-69 and the fiscal year 1969-70 up to November 14, 1969, what firms or companies have been charged with economic fraud in food and food products by the Department of Consumer and Corporate Affairs?

Return tabled.

MARITIME PROVINCES—EMPLOYEES RETIRING, REDUNDANT OR TRANSFERRED

Question No. 808—**Mr. Macquarrie:**

1. Since August 1, 1969, how many employees of the Government of Canada in Prince Edward Island have (a) retired (b) been sent redundancy notices (c) transferred to other departments or locations?

2. How many from each of the Provinces of Newfoundland, New Brunswick and Nova Scotia?

3. For what reason or reasons were these diminutions in personnel carried out?

4. For the same period, how many prevailing wage rate employees were released from duty with departments of the Government of Canada in Prince Edward Island?

Return tabled.

THEFTS FROM POST OFFICE

Question No. 815—**Mr. Macquarrie:**

1. What was the total number of thefts from the Canadian Post Office since June 25, 1968?

2. Where and when did these thefts occur?

3. What is the estimated value of items stolen?

4. What amount of compensation has been paid to Post Office patrons?

5. What claims for compensation are still outstanding?

6. Is consideration being given to providing greater security to the transportation of mail?

Return tabled.

FAMILY ALLOWANCES—CLASSIFICATION OF FAMILIES

Question No. 1,164—**Mr. Laprise:**

What is the classification of families according to number of children based on family allowances paid in March of each year 1944-1949 and 1959-1969?

Return tabled.

Mr. Speaker: Shall the remaining questions stand?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, even after one notes that questions 183 and 231 have been answered today, there are still 18 questions on the Order Paper that have been there since the first day of this session, nearly five months ago. It strikes me

that all but one of them could be answered without too much trouble. I wonder whether we could expect the first day's questions to be cleared up very soon?

Mr. Macdonald (Rosedale): Some of the questions, No. 167 and following, require the investigation of the ownership, in whole or in part, of something like 800 corporations. Under the circumstances, I think it must be expected that there will be some delay in getting all the information.

Mr. Carter: Mr. Speaker, for the fifth time I would ask the House Leader when I can expect an answer to question 516, dated November 20. I am rapidly getting the impression that the government does not want to answer it.

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member is wrong. As an Easter gift we expect to be able to answer this question next week.

Mr. Coates: Mr. Speaker, I have had question No. 328 on the Order Paper since October 30, 1969. It is not a difficult question to answer. All I am asking is that the government inform the House which cabinet ministers have offices in their constituencies that are being maintained at public expense. There is no reason for this question not having been answered.

Mr. Forest: Mr. Speaker, I will make the necessary inquiries and try to have the question answered as soon as possible.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

• (2:20 p.m.)

MOTIONS FOR PAPERS

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion No. 346 for production of papers is acceptable to the government, under the usual conditions for confidential papers and subject to approval by the governmental authorities concerned.

[*English*]

Mr. Speaker: Subject to the reservations or conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that Notice of Motion No. 346 be deemed to have been adopted?

Some hon. Members: Agreed.

REGIONAL DEVELOPMENT PLAN CORRESPONDENCE, NEWFOUNDLAND

Motion No. 346—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the Government of Canada and the Province of Newfoundland in relationship to a Regional Development Plan for Newfoundland.

Motion agreed to.

[*Translation*]

Mr. Forest: Mr. Speaker, would you be so kind as to call notices of motions Nos. 53, 54, 83, 232, 293, 299, 313 and 345?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

"MANHATTAN" PROJECT—DEPARTMENT OF EXTERNAL AFFAIRS AND HUMBLE OIL COMPANY

Motion No. 53—**Mr. Thomson:**

That an Order of the House do issue for a copy of all correspondence between the Department of External Affairs and the Humble Oil Company and its partners in relation to the *Manhattan* project.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there has been no correspondence between the Department of External Affairs and the Humble Oil Company and its partners in relation to the *Manhattan* project. I therefore request that the hon. member withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Why has there not been?

Mr. Diefenbaker: That reveals the story exactly.

Mr. Speaker: The motion is dropped.

Mr. Diefenbaker: No action again.

Order discharged and motion withdrawn.

"MANHATTAN" PROJECT—DEPARTMENT OF EXTERNAL AFFAIRS AND U.S. GOVERNMENT

Motion No. 54—**Mr. Thomson:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Department of External Affairs and the United States Government in relation to the *Manhattan* project.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in this case there is correspondence. It is part of the confidential communications between governments and therefore I suggest should not be made public. In these circumstances I wonder whether the hon. member would withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Question!

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

NCS FOUNDATION AND TRUST GENERAL DU CANADA

Motion No. 83—**Mr. Saltsman:**

That an Order of the House do issue for a copy of all correspondence between the Government of Canada and the NCS Foundation and Trust General du Canada regarding its incorporation under the Canada Corporations Act.

Mr. Paul Langlois (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, this motion is acceptable on the understanding that the production of the documents requested will be limited to copies of correspondence dealing with the actual process of incorporation of the NCS Foundation and its dissolution.

Mr. Saltsman: Mr. Speaker, that is not acceptable.

Mr. Speaker: Subject to the reservations or conditions expressed by the Parliamentary Secretary, is it the pleasure of the House—

Mr. Saltsman: No, Mr. Speaker, it is not acceptable. That would not be acceptable and would not provide adequate information.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

INDUSTRY, TRADE AND COMMERCE INFORMATION PROGRAM

Motion No. 232—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by W. R. Wright on departmental information programs undertaken for the Department of Industry, Trade and Commerce, as mentioned in answer to Question Number 1,323 of the past Session.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Industry, Trade and Commerce wishes to inform the hon. member that the document referred to in this motion was commissioned as an internal study for departmental working purposes only. This study is confidential and therefore I would ask the hon. member to withdraw the motion.

Mr. Skoberg: Mr. Speaker, I think we should have some of these internal studies made public and I call for a vote.

Mr. Macdonald (Rosedale): Transfer for debate.

Mr. Speaker: Transferred for debate.

CORRESPONDENCE, STUDIES AND REPORTS RESPECTING PHARMACEUTICALS

Motion No. 293—**Mr. Roberts:**

That an Order of the House do issue for copies of all correspondence between members of the public and the Government of Canada and its departments and agents relating to (a) costs, prices and safety of pharmaceuticals; sales tax, tariffs and dumping duties applied to pharmaceuticals; and policy concerning pharmaceutical patents and trade marks (b) studies and reports of these subjects by the Restrictive Trade Practices Commission, the Royal Commission on Health Services and the House of Commons Special Committee on Drug Costs and Prices (c) Bill C-190, An Act to amend the Patent Act and the Trade Marks Act, in the Second Session, Twenty-Seventh Parliament (d) Bill C-102, An Act to amend the Patent Act, the Trade Marks Act, and the Food and Drugs Act, in the First Session, Twenty-Eighth Parliament.

Mr. Paul Langlois (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the correspondence called for in this motion was submitted to the government in the belief that it would not be published. Making it public now would inhibit written submissions to the government by private persons in future. I hope that the hon. member would consent to withdraw the motion.

Mr. Knowles (Winnipeg North Centre): Question!

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

REPORTS AND SUBMISSIONS RESPECTING ANTI-COMBINES LEGISLATION

Motion No. 299—**Mr. Saltsman:**

That an Order of the House do issue for copies of all reports or submissions received by the Department of Consumer and Corporate Affairs since January 1, 1969, regarding changes in Canada's anti-combines legislation.

Mr. Paul Langlois (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, this motion is acceptable subject to the originators of such reports and submissions giving their prior consent.

Mr. Saltsman: Agreed.

Mr. Speaker: Subject to the reservations or conditions expressed by the Parliamentary Secretary, is it the pleasure of the House that Notice of Motion No. 299 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

NATIONAL FILM BOARD USER CHARGES

Motion No. 313—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the report on the decision of the National Film Board to impose film charges on local school boards, libraries, etc., as mentioned by the Secretary of State and reported in *Hansard* of December 17, 1969 at page 2,094.

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, in view of the government's decision to cancel the new rental charges for films, I understand that the hon. member wishes to withdraw his motion.

Mr. Orlikow: Agreed.

Order discharged and motion withdrawn.

REGIONAL DEVELOPMENT PLAN STUDIES, NEWFOUNDLAND

Motion No. 345—**Mr. Marshall:**

That an Order of the House do issue for copies of all studies made in preparation of a Regional Development Plan for the Province of Newfoundland.

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the current preparation of a development plan is being done by federal and provincial officials without commissioned studies. In view of this, I wonder whether the hon. member would be willing to withdraw his motion?

Mr. Marshall: With deep regret, Mr. Speaker, I would ask that it be transferred for debate.

Mr. Speaker: Transferred for debate.

EXTRADITION OF HAROLD C. BANKS

Motion No. 290—**Mr. Hees:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all papers, letters and other documents passed between the Governments of Canada and the United States from the 14th, May 1969, to the date of the return hereto relating to the extradition of Harold C. Banks.

He said: Mr. Speaker, on December 4 I placed on the Order Paper a request for production of correspondence between this government and the United States government dealing with the extradition of Hal Banks. This material should be readily available. I am sure the United States government would be agreeable to making it available to the government unless the government is trying to cover something up. I request that this material be produced immediately.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, we would be quite happy if Your Honour wishes to call the question on this right away.

Mr. Speaker: Does the hon. member wish the Chair to put the question?

Mr. Hees: Yes.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Hees) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Bell
Benjamin
Brewin
Burton
Carter
Coates
Code
Comeau
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Downey
Dumont
Fairweather
Forrestall
Fortin
Gauthier
Godin
Grills
Hales
Harding
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
MacRae
McGrath
McKinley
Marshall
Mather
Matte
Mazankowski
Monteith
Moore
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Nielsen
Nowlan
Nystrom
Orlikow
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Saltsman
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thompson (Red Deer)
Valade
Winch—76.

NAYS

Messrs:

Allmand
Anderson
Badanai
Barrett
Béchard
Beer
Benson
Blair
Blouin
Borrie
Breau
Brown
Caccia
Cadieux (Labelle)
Cafik
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Davis
Deachman
Drury
Dubé
Duquet
Émard
Éthier
Forest
Forget
Francis
Gillespie
Givens
Gray
Groos
Guay
Guilbault
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McNulty
Mahoney
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
Murphy
Noël
O'Connell
Otto
Penner
Pepin
Perrault
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
Sulatycky
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Weatherhead
Whicher
Whiting—104.

• (2:50 p.m.)

Mr. Speaker: I declare the motion lost.

[*Later:*]

Mr. Sharp: Mr. Speaker, I rise on a question of privilege which relates to notice of motion No. 290. I raise this matter so that there will be no misunderstanding. The reason for not producing the documents asked for is the traditional one that it is not customary to reveal inter-governmental exchanges of this nature.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Is it permissible for anyone to rise and reflect on a vote that has already been taken?

An hon. Member: No, it is not.

Mr. Sharp: I am not reflecting.

Mr. Speaker: The point raised by the hon. member for Winnipeg North Centre is well taken. Of course the Chair has no way of knowing what point will be raised when an hon. member rises on a question of privilege.

Mr. Knowles (Winnipeg North Centre): The minister just tries to get away with it.

Mr. Speaker: Order, please.

Alleged Inadequacy of Answer to Question

ROUTINE PROCEEDINGS

PRIVILEGE

MR. DIEFENBAKER—ADEQUACY OF ANSWER TO QUESTION NO. 1,265

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege arising out of the purported answer to question No. 1265 which asked how many letters, telegrams and/or other communications criticizing or condemning the white paper in whole or in part have been received by the Minister of Finance since January 1, 1970. I asked a similar question of the Prime Minister and the answer quite properly applied up to the date the reply was filed in Parliament. However, the purported answer given this afternoon is a masterpiece of selective non-information and misinformation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I am restricting my words so that there is no misunderstanding. The answer states in part:

> Coupons and form letters submitted as part of an organized campaign against particular proposals have not been enumerated.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, the widespread applause from the Liberal party indicates it is *particeps criminis* to what has taken place.

Mr. Hees: This is Information Canada.

Mr. Diefenbaker: I ask that this question be put back on the Order Paper and that it be given consideration. This House cannot be treated with contempt. As a matter of fact, even though the government may not wish to divulge the information I am told that its officials have received 60,000 communications of condemnation.

Some hon. Members: Hear, hear!

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, whoever told the right hon. gentleman that is grossly misinformed.

Mr. Hees: Give us the figures, then.

Some hon. Members: Oh, oh!

Mr. Hees: Give us the figures.

Mr. Diefenbaker: Give us the figures so that we may know the facts.

[Mr. Speaker.]

Mr. Coates: How does the minister know the officials are misinformed?

Mr. Benson: Mr. Speaker, if the right hon. gentleman will ask his question today and ask for the total number of such objections which have been received up until today, I will be pleased to give the information to him.

Mr. Diefenbaker: Mr. Speaker, that answer in no way meets the situation.

Some hon. Members: Hear, hear!

Mr. Drury: The right hon. gentleman is confused with facts.

Mr. Diefenbaker: The question included the words "or other communications", and I submit no government has the right to select that portion of any information that it believes will be beneficial to it.

Some hon. Members: Hear, hear!

Mr. Benson: Mr. Speaker, the right hon. gentleman obviously not only wants to write the questions; he wishes to write the answers too.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I do not want to write the answer; I want the right answer.

Mr. Benson: Mr. Speaker, I will go further; I will send the coupons over to my right hon. friend so that he can send them back to his friends.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I do not want the coupons. The minister can use them for whatever purpose he has in mind.

Some hon. Members: Hear, hear!

Mr. Hees: The minister just cannot think of a smart reply.

Mr. MacInnis: Mr. Speaker, I rise on the same question of privilege. Earlier this afternoon, when the House was provided with an answer to question No. 1265 a Liberal member on my right indicated that his office had received a greater number of objections than the answer indicated.

Mr. Speaker: Order, please. Oral questions.

ORAL QUESTION PERIOD

GRAIN

WHEAT—ACREAGE REDUCTION PROGRAM—REFERENCE TO COURT FOR RULING ON VALIDITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Prime Minister which arises from a prediction made by a notable legal authority in the other place that the coercive features of the new wheat acreage reduction program can be challenged in the courts as being beyond the scope of the Canadian Wheat Board Act. Is it the intention of the government to refer this matter immediately to the Supreme Court for a decision in order to clarify the status of this government proposal so that the farmers of western Canada in particular will know where they stand?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was not made aware of this information until this moment. I will look at it. If it merits study, I will study it. In the meantime I suggest that farmers should not renounce their hopes in this regard.

Mr. Stanfield: A supplementary question, Mr. Speaker. Am I to take it from the Prime Minister's answer that the government has not considered this legal question?

Mr. Trudeau: Mr. Speaker, obviously the hon. member cannot take that meaning. If we were to consider a question we obviously would consider its legal implications, but we cannot consider in advance hypothetical opinions which have come from an as yet unknown source.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a supplementary question to the Minister of Justice. Were the minister and his legal advisers requested to give an opinion as to legality of the procedures proposed in dealing with the reduction of wheat acreage?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, it is my understanding we were consulted, yes.

Mr. Forrestall: There we see the right hand not knowing what the left is doing.

Inquiries of the Ministry

AIR TRANSPORT

ROUTES GRANTED TO TRANSAIR—REQUEST FOR DELAY IN IMPLEMENTATION OF DECISION—PUBLIC HEARINGS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Transport. It concerns the decision of the Canadian Transport Commission to grant rights to certain air routes to TransAir while at the same time refusing to allow public hearings. Since many Canadians are disturbed about granting these rights to a company, the leading two principals of which were formerly associated with the chairman of the commission, one as his executive assistant and the other as a leading bagman for the Liberal party—

Mr. Speaker: Order, please. Will the hon. member please ask the question?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I ask the minister if he would be prepared to delay the implementation of this decision until public hearings can be held at which those interested parties who have asked to be heard can be given an opportunity to place their case before the commission?

Hon. Donald C. Jamieson (Minister of Transport): In so far as the preamble is concerned, I think I can ignore it. In terms of the substance of the question, I do not believe that the Minister of Transport has the authority to delay the decision in the manner that has been requested by the hon. member. I will be glad to look into it to see whether that is the case. I am reasonably certain I have no such authority.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. In view of the fact the minister claims to have no authority and in view of the fact that this is a quasi-judicial board and it is not only important that justice be done but that it appear to be done, I ask the minister if he would be prepared to have a judicial investigation to assure the Canadian people there was neither favouritism nor patronage in the granting of these routes without a public hearing?

Mr. Jamieson: I can only say that I will take the question as notice. The commission is a duly constituted authority. As far as I know and on the evidence that I have seen, they have performed in precisely the proper manner. There was nothing omitted from the procedures they were required to do. I will take the question as notice.

Inquiries of the Ministry

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the minister's statement that they did not omit to do anything which they should have done, I ask the minister why public hearings were refused, despite the fact that a number of persons, including the government of Ontario, requested hearings and were informed they would be allowed to intervene and would be heard?

Mr. Jamieson: Mr. Speaker, I think that question should more properly be directed to the CTC. I understand there are no requirements in cases such as this to hold public hearings. The only information that I have obtained, in seeking to get answers for hon. members who asked questions earlier, is that notices of the applications were published in the areas concerned and that the matter has been public knowledge for better than a year. In view of the decision, the CTC felt they had discharged their obligations in this regard. With Your Honour's indulgence, I might also refer to the fact the judgment in the case requires that within the first year of operation of any new service, a public hearing be held to determine whether it is working out satisfactorily.

Mr. J. M. Forrestall (Dartmouth-Halifax East): I wonder if I might ask the minister a supplementary question. What is important is the ability of people to travel efficiently from one point to another. Therefore I ask the minister whether he can give any assurance that Air Canada will not reduce its services? After all, that is what is important.

Mr. Jamieson: As much as hon. members like to think otherwise, Mr. Speaker, the Minister of Transport does not set the schedules for Air Canada. They are entirely free to do that within their own framework. As I do on all such occasions, I can only undertake to pass the statement on to Air Canada.

Mr. David Orlikow (Winnipeg North): In view of the fact that the CTC did not hold public hearings with regard to this application, will the minister give consideration to reviewing the legislation to see whether an amendment is required which would instruct the CTC to hold public hearings when representations are made?

Mr. Jamieson: Yes, Mr. Speaker, I will be glad to do that. In fact, the act is under some review at the present time.

[Mr. Jamieson.]

[Translation]

FEDERAL-PROVINCIAL RELATIONS

POLICY RESPECTING RECOGNITION OF FEDERAL CONTRIBUTIONS TO CERTAIN PROGRAMS

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the Prime Minister a question.

In view of the fact that the federal government has officially announced through one of its ministers that no money whatsoever will be paid to Quebec for regional development without a prior agreement between the two governments tending to determine the source of the funds, can the Prime Minister inform the House if this is an official policy and, if so, if he intends making an early statement in the House to that effect?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without going into the details of the matter, I may say that on the whole the answer to the first part of the question is yes, but I must add that this policy does not apply only to Quebec and the federal government intends to apply it to all the provinces. We are firmly decided to make sure that the taxpayers of all provinces will know what part of their federal taxes is effectively spent in their province for projects in which the federal taxpayer is taking part through the payment of taxes.

Mr. Fortin: Mr. Speaker, I should like to put a supplementary question.

Since the official policy, which has just been stated by the Prime Minister, implies agreements between the federal and provincial governments, can he tell us whether he expects that intergovernmental meetings will be held to determine whether the provincial governments accept that policy and are ready to co-operate with the federal government?

Mr. Trudeau: Mr. Speaker, of course, it will be a contract agreement, to be negotiated between the federal government and the governments of the provinces concerned. There will be consultation to the extent that the contract will be submitted to them, but once again I tell the House that we will not yield on that principle, because we feel it is one of justice and democracy.

Mr. Fortin: Mr. Speaker, I should like to ask a last supplementary question to the Prime Minister.

Following the statement made recently in Quebec by the Minister of Regional Economic

Expansion, has the Quebec government made a protest to the federal government on that matter?

Mr. Trudeau: As far as I know, Mr. Speaker, no such protest has been made and, if I understand his signal correctly, I do not think that the Minister of Regional Economic Expansion has received any.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, may I ask a supplementary question to the Prime Minister?

Have any provinces other than Quebec entered into agreements in the past with the federal government providing for the installation of signs showing the contribution of the federal government to certain joint programs?

Mr. Trudeau: In the past, Mr. Speaker, several provinces have shown enough honesty and decency to acknowledge the share paid by the federal government. Others however have not. We intend to make our contribution known in future.

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I want to direct a supplementary question to the Prime Minister.

Will he follow the same pattern to deal with the question of the $200 million which have been collected in the province of Quebec through the so-called social development tax of 2 per cent?

Mr. Trudeau: Mr. Speaker, we should be very happy if, when medicare becomes operative, taxpayers were told that half the cost of it is paid by the federal government.

Some hon. Members: Hear, hear.

Mr. Speaker: This series of supplementary questions should not turn into a lengthy discussion. I shall give the floor to the hon. member for Saint-Hyacinthe who wants to ask a supplementary question as well as to the hon. member for Sainte-Marie.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to ask a supplementary question to the Prime Minister in connection with the answer he gave that no agreements have been signed as yet with the other provinces. Does the importance that the Prime Minister seems to give to such publicity depend on the coming provincial elections so as to help—

[*English*]

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

Inquiries of the Ministry

FINANCE

TARIFF TREATMENT ACCORDED TO MICHELIN RUBBER COMPANY

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Finance. Would the hon. gentleman take the first opportunity on motions to explain to the House why it is that at a time of considerable lay-offs in the Canadian automotive tire industry his department has granted to the Michelin Rubber Company of France the right to bring into Canada duty-free during the next few years an unlimited quantity of automobile and truck tires for sale in competition with Canadian products, thereby greatly worsening the employment situation in an industry already hard hit?

Hon. E. J. Benson (Minister of Finance): I should like to take the question as notice so that I may make sure of the details. However, the decision with respect to Michelin establishing a plant in one of the less-developed areas of Canada was one we felt should be supported at that particular time as part of the effort to attract industry into such areas. But I will look further into the particular advantages which were given.

Mr. Hees: A supplementary question to the Prime Minister. Is it part of the government's policy to fight inflation by increasing unemployment in Canada and transferring jobs to Frenchmen in France?

Mr. Speaker: Order, please.

AIR TRANSPORT

IMPOSITION OF SURCHARGE BY SPANISH GOVERNMENT ON CANADIAN FLIGHTS

Hon. Marcel Lambert (Edmonton West): My question is directed to the Minister of Transport. Some three weeks ago I asked the hon. gentleman a question about the action of the Spanish government in imposing surcharges on flight bookings through Wardair Limited. Is the minister now in a position to give an answer?

Hon. Donald C. Jamieson (Minister of Transport): The answer is rather lengthy. I can say briefly that there is actually no bilateral arrangement between Canada and Spain. Operations are on the basis of what is known as an authorization and it is because of this, since only one airline is involved, that a second airline was refused permission to enter since it did not meet requirements.

Consequently, reciprocal action was apparently taken by the Spanish government. I would be glad to send the hon. member the full story, which I have here before me, if he wishes.

REGIONAL ECONOMIC EXPANSION

FUTURE OF FAIREY OF CANADA PLANT

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is addressed to the Minister of Regional Economic Expansion. Since only ten or 11 days are left before Fairey Aviation is to be closed down, may I ask whether or not Bell is any nearer reaching an arrangement with Fairey of Canada to take over that plant?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Unfortunately, I cannot give any information today.

Mr. Forrestall: May I ask the minister whether he will find some opportunity before the Easter break to make a brief statement as to the status of this plant and the remaining four or five hundred employees?

Mr. Marchand (Langelier): While negotiations are going on it is very difficult to make a public statement.

HIGHWAYS

EFFECT ON SAFETY OF TRUCK OPERATION ON SUNDAYS

Mr. Barry Mather (Surrey): I have a question which I should like to address to the Minister of Transport; I raised it last week and notice was taken of it at the time. Bearing in mind the application by a trucking company to the Canadian Transport Commission for authorization of unrestricted trucking operations on Sundays, and the adverse effect such trucking, if permitted, would have on traffic safety in Canada, would the minister look into this matter and make a report?

Hon. Donald C. Jamieson (Minister of Transport): Having been raised as a very pious Presbyterian, I will be glad not only to make representations but to support those of the hon. member.

[*Translation*]

EXTERNAL AFFAIRS

PROPOSED RECOGNITION OF COMMUNIST CHINA

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

[Mr. Jamieson.]

Would the minister tell the House what progress has been accomplished in the negotiations concerning the recognition of Red China and, should this take place, whether Nationalist China will persist in its attitude towards Canada?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, negotiations are continuing; there have been meetings in the last few weeks and I expect there will be others held soon. We shall be recognizing one government of China, and since both the Peking and the Taiwan regimes purport to be governments of China our recognition of Peking would naturally exclude that of the government now in Taiwan.

Mr. Gordon Ritchie (Dauphin): In view of the advent of the Chinese new year, called the year of the dog, during which the Chinese, fearing omens of bad luck, are extremely reluctant to enter into commitments unless the stars in the zodiac are propitious, does the minister believe progress will be made on this issue?

Mr. Sharp: I am sorry, but I am not an astrologer.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question to the Secretary of State for External Affairs. Will the minister tell us what the situation will be in connection with the trade which has been built up between Canada and the Republic of China in Taiwan, bearing in mind the fact that communist China operates through state trading corporations? What arrangements are being made to preserve the right of Taiwan to continue this trade with Canada, or is that trade to be sacrificed?

Mr. Sharp: I do not want to become involved in a technical answer to that question. Perhaps I might remind the right hon. gentleman that when he was in office—

Mr. Diefenbaker: Just answer the question.

Mr. Sharp: —when we entered into a trade agreement with China many years ago, notwithstanding the fact the mainland was separated from Taiwan, the mainland continued to get most-favoured-nation treatment. In other words, we have always considered China to be one. The question as to the treatment of Taiwan if we succeed in achieving diplomatic relations with Peking is one which I think would have to be looked at in the light of that general principle.

Mr. Diefenbaker: In connection with that general principle, is the minister not in a position to advise us whether the millions of dollars of trade we now conduct with Taiwan will be lost unless it is channelled through communist state corporations?

Mr. Sharp: I do not think there will be any interruption in trade between Canada and Taiwan.

Mr. Lorne Nystrom (Yorkton-Melville): Can the minister assure the House that Canada will press for the seating of mainland China in the United Nations and for the representation of that country on the Security Council?

Mr. Sharp: I have made it clear, both publicly and to the representatives of the People's Republic of China, that if we do succeed in establishing diplomatic relations between that régime and Canada we would then support their membership in the United Nations.

Mr. Diefenbaker: A *quid pro quo.*

Mr. Sharp: There seems to be some misunderstanding of the position. China is already a member of the United Nations and of the Security Council. The only question is: who speaks for China?

An hon. Member: Do you speak for China?

[*Later:*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. When does the government expect to be permitted to stop fawning at the feet of Red China and be allowed by that country to recognize it?

Some hon. Members: Oh, oh!

Mr. Speaker: Order.

LABOUR CONDITIONS

TORONTO—CLOSING OF DUNLOP PLANT—SUGGESTED TAKEOVER BY GOVERNMENT

Mr. Andrew Brewin (Greenwood): My question is for the Minister of Regional Economic Expansion. On March 12, the hon. gentleman told my hon. friend from Nanaimo-Cowichan-The Islands that he was looking into a proposal under which the government, either alone or in conjunction with the province of Ontario, would take over and operate the Dunlop plant in Toronto, at least until such time as a feasibility study had been undertaken. I should now like to ask whether a decision has been made and, if so, what has been decided?

Hon. Jean Marchand (Minister of Regional Economic Expansion): No decision has been made, Mr. Speaker.

Mr. Brewin: Has the minister communicated with the government of Ontario concerning this proposal and what result, if any, followed such communication?

Mr. Marchand (Langelier): There is continuing communication between my department and the government of Ontario. I can ask for the information, ascertain the situation, and maybe make a report to the House.

[*Later:*]

CLOSING OF DUNLOP PLANT—EFFECT ON YARMOUTH TEXTILE INDUSTRY

Mr. Speaker: I understand the hon. member for South Western Nova has a supplementary to a previous question.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to ask the Minister of Regional Economic Expansion whether he can tell the House if he has studied the impact of the closing of the Dunlop plant on other plants, and again I refer to the Cosmo-Imperial textile plant in Yarmouth?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will inquire, as I said a few minutes ago, and report to the House what is happening.

INDUSTRY

TEXTILES—EFFECT OF SYNTHETIC FIBRE IMPORTS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I have a question for the Minister of Finance which arises from his brief remarks in his budget address last week. Will the government take appropriate steps to abate the current importation into Canada of terylene and other synthetic fibres and textiles from low wage countries that are unfairly taking over a large share of our domestic market, thus causing much unemployment in our country?

Mr. Speaker: It seems to me that the question now posed by the hon. member was asked yesterday by another hon. member, the hon. member for Saint-Hyacinthe, I believe.

Inquiries of the Ministry

TRANSPORT

ACTION ON RAILWAY FREIGHT RATE INCREASES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Transport whether he proposes to take any measures to prevent, defer or postpone the increase in transportation rates in the maritime provinces projected for early April, particularly since I understand an increase took place last autumn?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, my answer in this case is somewhat the same as that with reference to the CTC, that it is within the railways' own competence to set rates. However, as I advised the House while I believe the Leader of the Opposition was out of the chamber, this is a matter that has been referred to the Prices and Incomes Commission who are investigating the justification for these rate increases.

Mr. Stanfield: A supplementary question, Mr. Speaker. Would the minister make certain that these increases are deferred long enough to allow the appropriate committee of the House to look into their effect? I ask this question knowing the unremitting war that the government is conducting against regional disparity; and I am sure that the Minister of Transport would not want to join with the Minister of Finance in offsetting whatever good work is being done by the Minister of Regional Economic Expansion to fight regional disparity.

Mr. Jamieson: Mr. Speaker, there may be a question in there somewhere, but I have not been able to find it.

Mr. David MacDonald (Egmont): Mr. Speaker, I wonder whether the Minister of Transport could advise whether the Canadian Transport Commission has consented to a further freight rate increase that is contemplated for the Atlantic region some time later this year, making three increases within one 12-month period? Could the minister also give an indication whether or not this whole matter could be deferred until he and perhaps officials of the CTC appear before the transportation committee?

Mr. Jamieson: Mr. Speaker, the hon. member obviously forgets—I am sure it is not a matter of ignorance—that the CTC does not in fact concur in rate setting or set rates for the railways. They are free, in the first instance, to set their own rates. There are certain appeal procedures, but beyond that there is very little that the government can do other than what we have already done, which is to refer the whole question, as I advised the Leader of the Opposition, to the Prices and Incomes Commission.

EFFECT OF RAILWAY FREIGHT RATE INCREASES ON REGIONAL EXPANSION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question to the Minister of Regional Economic Expansion. Is there any communication or relationship between his department and the Department of Transport and/or the CTC with regard to how these freight rate increases might adversely affect attempts to promote regional expansion in many areas in Canada?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, we are informed as are all other departments, and we try to determine what the effects will be.

[*English*]

Mr. Nowlan: A further supplementary question, Mr. Speaker. I agree that the minister should not get his information from the newspapers, but I should like to ask him whether there is any branch in his department that has under active consideration the impact that the increased cost of transportation across Canada will have and how that might adversely affect attempts being made by the minister's department to upgrade conditions in some areas of Canada?

[*Translation*]

Mr. Marchand (Langelier): Yes, Mr. Speaker, officials of the department have been asked to study the impact of the decisions taken by the different government agencies.

[*English*]

FINANCE

COLLAPSE OF COMMONWEALTH TRUST COMPANIES—LEGISLATION TO PROTECT DEPOSITORS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is for the Minister of Finance. Does the federal government plan to take any action over the alleged fraudulent

practices and ultimate collapse of the Commonwealth Trust group of companies in British Columbia?

Hon. E. J. Benson (Minister of Finance): I should like to take that question as notice, Mr. Speaker.

Mr. Rose: Mr. Speaker, since the minister has kindly agreed to take the question as notice, might I be permitted to put my supplementary question which he can also take as notice. I should like to ask the minister whether he would consider future legislation that would protect Canadian depositors who invest in companies similar to this one?

FISHERIES

TYPE OF APPOINTMENT AS CHAIRMAN OF SALTFISH CORPORATION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries and Forestry. In view of requests coming into the minister's office from fishermen and locals of the Newfoundland-Labrador Federation of Fishermen, as well as executive members, pleading that the minister not appoint a politician to head the Canadian Saltfish Corporation, can the minister assure the House and the people that an appointment of that type will not be made?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we are going to make the best possible appointment, and I would hate to exclude politicians from this category.

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

POLICY RESPECTING RECOGNITION OF FEDERAL CONTRIBUTIONS TO CERTAIN PROGRAMS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Prime Minister.

With reference to the questions asked earlier about the possibility of grants not being paid to the Quebec government for schools or joint programs, would the Prime Minister tell us if, when the time comes to pick a name for a school whose construction has been subsidized by the federal government, Quebec refuses to discuss—

Mr. Speaker: In my opinion the question as put is hypothetical.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to ask an important question to clarify the situation.

Would the Prime Minister tell us if there is a Federal law containing some provisions whereby provinces would be compelled to disclose the Federal government's contribution to shared programs, or, whether he is considering an amendment to the law?

Mr. Speaker: Since the first part of the question invites the Prime Minister, or a minister, to express a legal opinion, I do not believe that the question is receivable.

Mr. Asselin: Mr. Speaker, on a point of order. I am not asking the Prime Minister's opinion, I am asking if, under a federal law provinces are compelled to take such action?

Mr. Speaker: It seems to me that the remark I addressed to the hon. member is clear. An hon. member may not ask a minister if a law applies to a certain situation. That is why I suggest that the question as asked is not receivable.

Mr. Asselin: I would like to reword it, Mr. Speaker.

Can the Prime Minister tell us whether the new policy he announced at the beginning of the sitting will apply to all shared-cost programs, such as hospitalization insurance and medicare or only to the building of technical schools?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at the present stage we are discussing primarily a project in which the two levels of government would share the financing. We are not now discussing the contracts I mentioned earlier today which do not apply to all fields in which the federal government participates. There are far too many for us to start identifying them all. They would be buildings, constructions where, effectively, federal participation should be acknowledged. I refer to the building of roads, buildings, etc. with federal funds.

Mr. Asselin: Mr. Speaker, I have a further supplementary question for the Minister of Regional Economic Expansion.

Hon. Jean Pierre Côté (Minister of National Revenue): Have you any objection?

Mr. Asselin: No, I am not against that, but the point is to clear up the matter and to find out whether—

Mr. Speaker: Order. It is obvious that a debate is beginning—

Mr. Asselin: Mr. Speaker, I wish I could ask my question.

Inquiries of the Ministry

Mr. Speaker: Order. The exchange of views between the minister and the hon. member could well take place after the question period. I think now the hon. member is rising to ask a supplementary question.

Mr. Asselin: Mr. Speaker I wish to direct a supplementary question to the Minister of Regional Economic Expansion.

When he made his statement in Quebec about this policy, did he mean that this policy would apply only to technical schools, because he was talking then about technical schools?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the talk was not about technical schools at all but about agreements.

[*English*]

TRANSPORT

SECOND VOYAGE OF "MANHATTAN"—COMPLIANCE WITH REGULATIONS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Transport in connection with the regulations which were filed yesterday as an appendix to *Hansard*. Has the Humble Oil Company been categorically advised that the *Manhattan* will not be allowed to come into Canadian Arctic waters until she has complied with these regulations?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I think the preamble I gave to the explanation yesterday is the same. We have said that in terms of any assistance we would give the ship these regulations would have to be complied with.

Mr. Baldwin: Mr. Speaker, I have a supplementary question I should like to direct to the Secretary of State for External Affairs. Has the minister or the government, to the minister's knowledge, advised the Humble Oil Company and/or the United States government that the *Manhattan* will not be allowed into Canadian Arctic waters until she has complied with these regulations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, at the present time there is no law which would require the *Manhattan* to obey anything of this kind. We are intending to bring legislation forward within the next few days. Until then, I think the Minister of Transport is doing what is perfectly appropriate under the circumstances, that is, denying help to the tanker until it complies with the requirements. Until there is an act on the statute books which lays down stipulations, that is the best we can do. I hope we will have the support of hon. members in respect of the legislation we intend to bring forward.

Mr. W. B. Nesbitt (Oxford): I have a supplementary question for the Minister of Transport, Mr. Speaker. While we understand the government is trying to establish the principle that the operator of a ship involved in a pollution mishap will pay the cleanup cost, will the minister assure the House that as far as the *Manhattan* is concerned our demands in respect of this principle are not negotiable?

Mr. Jamieson: Mr. Speaker, I am not sure of the intent of that question and I wonder whether the hon. member would like to rephrase it in view of my stupidity?

Mr. Nesbitt: Perhaps to make the question clearer, Mr. Speaker, I should put it this way. Since we understand that the government is trying to establish the principle that the operator of a ship involved in a pollution mishap pays the cleanup cost—I think that is perfectly plain—may we receive an assurance from the minister that as far as the *Manhattan* is concerned this principle will be non-negotiable?

Mr. Jamieson: Mr. Speaker, if the hon. member means that we want to ensure and confirm this principle, I can give him that assurance. There are, as I have explained in the House on numerous occasions in the past, difficulties in establishing liability in the absence of international law. We are trying to get the very best arrangement we can from the Humble Oil Company in this regard.

Mr. Nesbitt: Is the minister implying, then, that these waters of the Northwest Passage do not come under the control of Canada?

BUSINESS OF THE HOUSE

SUGGESTED DISCUSSION OF CONFLICT OF INTEREST BILL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the right hon. Prime Minister or the Government House Leader. I notice that it has already been passed from the front row to the second row, even before I ask my question.

Mr. Trudeau: To the president.

An hon. Member: Try the back row, you might get an answer.

Mr. Knowles (Winnipeg North Centre): In any event, it was not mailed. Has a decision yet been made regarding a question I asked a couple of weeks ago about the possibility of a discussion at this session of Parliament on the conflict of interest problem, either on the initiative of the government or by making use of my bill No. C-188?

Hon. Donald S. Macdonald (President of the Privy Council): No, Mr. Speaker, no decision has been taken as yet.

HISTORIC SITES

PRESERVATION OF HOME OF HUGH JOHN MACDONALD

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Minister of Indian Affairs and Northern Development. Has the hon. gentleman been apprised of the impending demolition in Winnipeg of the former home of Hugh John Macdonald, the son of Sir John A. Macdonald, a Father of Confederation? In view of its historic importance, would he consider referring this matter to the National Historic Sites and Monuments Board, with a view to having this home recognized as a national historic site?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will be pleased to ask the Historic Sites and Monuments Board of Canada to consider the problem and report as soon as possible.

[*English*]

TRANSPORT

DEFENCE OF CTC RAILWAY COSTING FORMULA

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Transport, and the importance of this question is directly related to the motion presented to the House earlier this afternoon by my colleague, the hon. member for Wellington-Grey, concerning railway applications for rail line abandonments. Can the minister indicate whether the CTC costing formula is being defended by the government before the Supreme Court of Canada, where it is presently being challenged by the CPR?

Hon. Donald C. Jamieson (Minister of Transport): I seem to recall having answered that before in the affirmative, Mr. Speaker. If I did not, I want to assure the hon. member that this is being done, yes.

Mr. Southam: Mr. Speaker, could the minister assure the House that there will be no rail line abandonment applications accepted, received or dealt with until this formula has finally been dealt with by the Supreme Court?

Mr. Jamieson: I would have to take that question as notice, Mr. Speaker, in order to determine whether there is any prohibition against going ahead with hearings while this action is pending. I will be glad to look into it for the hon. member.

REGIONAL ECONOMIC EXPANSION

SPECIAL AREAS—AGREEMENTS WITH PROVINCES

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. It relates to the minister's announcement in the House on March 11 concerning special areas to be set up across Canada. Is he in a position to say how many federal governments have concluded agreements with the federal government in this respect and, if any, which provincial governments have done so?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, all provincial governments have been consulted and we have agreed substantially on the areas that have been designated.

Mr. Simpson: I wonder whether the minister could say which governments have concluded agreements with the federal government?

Mr. Marchand (Langelier): There are no formal agreements on this. They have been consulted. We designate the areas. This is what we did after consultation with the provinces.

SIGNING OF AGREEMENTS WITH NEW BRUNSWICK AND NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, is it not a fact that two agreements are to be signed before April 1 with the provinces of New Brunswick and Newfoundland? On what day will these agreements be signed, and is the minister prepared to meet with the Standing Committee on

Regional Development before the Easter recess to discuss these agreements with the committee?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am confident that these two agreements will be signed before April 1. Since I am not sure, it would be difficult for me to accept the proposal, because I do not know whether they have been signed.

[*English*]

DESIGNATION OF SPECIAL AREAS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the minister whether, when he said there had been substantial agreement on the part of the provinces about these special areas, he meant simply that these areas should be designated or meant to indicate that there had been complete agreement between the federal government and the provinces that other areas should not be designated?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): There has never been any agreement, Mr. Speaker, concerning areas which should not be designated. I believe that those agreements will remain in force up to June 1972. It is possible that other areas will be designated. It has never been agreed that an area should not be designated.

[*English*]

Mr. Speaker: Orders of the day.

Mr. MacInnis: Mr. Speaker, I have a question of privilege. Rather than bring up the same question of privilege again, I thought I could probably ask a question during the regular question period. However, as I indicated, this is the same question of privilege I brought up before and on which I did ask for a ruling from the Chair. At that time, the question of privilege was apparently accepted.

In view of the fact that this afternoon a considerable number of ministers were in the House for the vote, and that since the vote five or six ministers who, according to the roster system, should be in attendance today have been absent, I ask for a definite ruling from the Chair in respect of the roster system which I feel is a violation of the rights and privileges of members of the House of Commons.

Some hon. Members: Hear, hear!

[Mr. McGrath.]

Mr. MacInnis: I suggest that—

Mr. Speaker: Order, please. My recollection is that this point was raised by the hon. member for Winnipeg North Centre some weeks ago and that the Chair made a ruling at the time which I believe still stands. Unfortunately, I am not sure when the ruling was made. If it will be of assistance to the hon. member, I will identify the time and relay this information to him.

Mr. MacInnis: On a further question of privilege, Mr. Speaker, surely the Prime Minister, regardless of what he thinks of his roster system, should consider the fact that if his ministers can come in the House to vote they should remain for the question period. In addition, he should realize that his roster system has been violated by his own cabinet ministers.

Mr. Speaker: Orders of the day.

THE MINISTRY

MAKING OF ANNOUNCEMENTS OUTSIDE HOUSE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I regret to have to raise a point of order in relation to the same matter I raised earlier today. I was hoping I would catch Your Honour's eye during the question period. This is a matter which concerns the rights of members of the House. I will direct a simple question to the Prime Minister which requires a simple yes or no answer. I see the Prime Minister is half-way out of the House. Perhaps he will come in the rest of the way and answer the question. Is it government policy to make announcements outside the House regarding the reorganization of government departments?

Right Hon. P. E. Trudeau (Prime Minister): I will be back tomorrow.

Mr. Peters: Mr. Speaker, following the previous point of order on which there was some discussion, I should like to ask Your Honour at what stage is the consideration of Standing Order 5, and is this matter being actively pursued?

Mr. Speaker: I would find it very difficult to reply to the hon. member's question. I do not consider it is the Chair's duty to review the rules. When questions of privilege and points of order are raised in the House, which I think are of importance and should be considered by the House Committee on Rules, I take the liberty of bringing these points to

the attention of the committee when it sits. If there is a suggestion that Standing Order 5 should be considered by the committee, I will be pleased to bring this to the attention of the chairman of the committee whenever the committee is called together and sits.

Mr. Macdonald (Rosedale): Mr. Speaker, on a point of order and perhaps in relation to the same subject, I should indicate that several times during the session I have suggested that the House could make a general order referring to the Standing Committee on Procedure and Organization the rules, practices and procedures of the House so that a further discussion of these matters could be undertaken. If there is any general disposition to accept an order of that kind, perhaps we could make it right now.

Mr. Speaker: Is this agreed? I am not sure what is before the House. Is it a motion in the name of the President of the Privy Council?

Mr. Macdonald (Rosedale): No, Mr. Speaker. I made the suggestion that perhaps if the House would like to deal with this at an early date we could make it a motion herewith.

Mr. Speaker: Is it agreed?

Mr. Bell: It is agreed, Mr. Speaker, provided such consideration includes the question of the specific attendance of ministers in the House so they will not be able to "scram" out of the House and not fail the representatives of the people.

Some hon. Members: Oh, oh!

Mr. Speaker: Obviously there is no agreement.

[*Translation*]

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

I should like to ask you if someone other than a minister or a parliamentary secretary may answer Inquiries of the Ministry, since this role—

Mr. Speaker: Order, please. The question put by the hon. member is hypothetical. Would he resume his seat?

Of course, the Standing Orders and the practice in the House do not allow hon. members to ask a question in that way to the Chair.

[*English*]

Mr. McGrath: On a question of privilege, Mr. Speaker, since there is no agreement on this matter I have no alternative but to invoke the provisions of Standing Order 5 and ask Your Honour that the Prime Minister be directed to return to the House to answer my question.

Mr. Speaker: Order, please. I do not think this matter can be raised by way of a question of privilege. The hon. member must realize that Standing Order 5 does not apply specifically to ministers; it applies to all members. If we acted on the suggestion of the hon. member for St. John's East, members might ask that other individual members be called back into the House. Perhaps this would not be such a bad idea. However, I would think the question or the motion or proposal could not be put under the provisions of Standing Order 5 at this time.

Mr. MacInnis: Mr. Speaker, on the same question of privilege, in respect of Standing Order 5 could it not be implied that, since every member is bound to attend, the Prime Minister himself is violating that rule by predetermining the absence of Ministers through the setting up of a roster system which gives them the privilege to stay out of the House? In other words, by establishing his roster system he is violating rule 5.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Tuesday, March 17, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that this House approves in general the budgetary policy of the government and the amendment thereto of Mr. Lambert (Edmonton West) (page 5051).

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am pleased to take part in this debate on the budget presented last week by the Minister of Finance (Mr. Benson).

The task of commenting the budget speech is not too demanding, because the budget did not contain many new proposals, except that it did not provide for any new tax, and was based on the prevailing inflationary situation.

In my opinion, unemployment should have the priority over inflation, because inflation is only an opportunity for the government to

reduce its expenses on all accounts, with the frequent result of a renewed outbreak of unemployment which is felt in Quebec as well as in the other provinces.

The important point which the minister wanted especially to emphasize is the budget surplus with which it seems possible to justify everything. In the name of a just society, I wonder how it is possible, through surpluses alone which can only be prejudicial to a good many people, to bring the Canadian people to have confidence again in Parliament and how it is possible to govern the country with objectiveness.

There are surpluses in almost every field.

• (3:50 p.m.)

I wonder how one can boast that there will be surpluses when Quebec is deprived of $200 million from a so-called special tax taken from Quebec taxpayers' pockets. Furthermore, other provinces which did not avail themselves of this medical insurance scheme are not mentioned.

I am always somewhat surprised at the fact that few members, especially among those from Quebec, save put forward their arguments in the House. Instead by their silence, they condoned that hold-up perpetrated by Ottawa against Quebec a few weeks ago.

It is certainly easy for the Minister of Finance to bring down a surplus budget when such measures are involved. And he will keep on bragging proudly about a possible surplus.

It could also be said that the Post Office and Communications Department is looking for such surpluses. Apparently, according to this government's policy, the profitable operation of that department is the main objective, and no thought is given to the public service it is meant to offer.

More and more, it seems, the Minister and the goverment are facing increasing difficulties in this regard. Indeed, they are always striving for profitable operation at the expense of the people.

Worthwhile initiatives on the part of hon. members in general and Quebec members in particular are becoming scarce, while very difficult problems are cropping up right in the city of Montreal, and that is detrimental to the Canadian people as a whole.

In any case, let us suppose that such surpluses will occur. Why did someone not think of distributing such surpluses as a refund on the interest paid by people wishing to build a house? It is planned to promote long term and short term construction.

[Mr. La Salle.]

It has been proven that it is impossible for people earning $10,000 or less to get a loan because they will be unable to repay it due to the present rates of interest.

It seems that the government is definitely going to keep the surpluses, more often than not, to the detriment of the provinces. It is nevertheless surprising that no thought has been given to handing this refund over to these Canadians wage earners who would then be able to buy a house and become assets in the community, thus giving a boost to short term construction.

It is a joke. As a matter of fact, loans are made easier for building purposes but at interest rates which have gone up steadily in the last three or five years.

The only responsible way in which a so-called responsible government, speaking in the name of a just society, can make it possible for its citizens to purchase a house, in view of high interest rates, is to prepare as soon as possible a bill calling for reimbursement of a part of this interest to people in the middle salary range.

We would thus be acting in a responsible way. The government and Parliament would be offering the people a responsible, human policy in order to revitalize construction, which affects a large number of Canadian workers.

I should now like to express my concern about dairy producers.

An emergency debate was held recently. Several members took pride in siding with the dairy farmers, a class of people that deserves protection and encouragement. In fact, we only requested that a very small part of the surplus forecast by the government, that is the $10 million worth of subsidies that dairy farmers are to be deprived of this year, be still granted to them. This government's behaviour leaves them wondering, I believe, for, during this austerity period, it seems fair to hurt that class of producers who badly need the subsidies refused to them.

On the other hand, much to the surprise of many members, a minister announced subsidies of approximately $140 million to western wheat producers. I have no hesitation at all to support that measure, considering the difficulties facing them.

However, how can one accept without saying a word that there is no provision in the budget for granting again to dairy farmers at least that share of the $10 million that is absolutely necessary to the successful operation of the Quebec dairy industry?

What is more astonishing is the complete silence of a good number of the members concerned, while this $10 million cutback in subsidies will affect about 50 per cent of the Quebec dairy farmers. In fact, they are likely to lose $4,375,000, an amount equivalent to a sizeable part of the country's dairy production.

I am led by this silence to try to wake up those members who should make themselves heard and make the Minister of Finance understand the serious consequences of this cutback for Quebec dairy farmers.

Of course the minister cannot be informed of all the problems facing Quebec producers, but in view of the fact that Quebec is strongly represented within the government, I still hope that some day the Minister of Agriculture (Mr. Olson) will be forced to change his mind about the dairy producers in Quebec and in the rest of Canada.

Mr. Speaker, no mention is made in the budget speech of another very serious matter which has been brought up in the House quite often recently. I mean the textile industry.

I have before me some documents indicating that in October 1968 companies and unions met with the present Prime Minister (Mr. Trudeau) and members of his cabinet in order to set forth the serious problem faced by the Canadian textile industry. Mention was made of an increasing penetration of imported items, which is detrimental to workers and businesses in that industry.

At that time they were assured of a quick solution to their problem. Instead of that, later on, the government decided to undertake a complete investigation of the textile and clothing industries. We are already at the end of March and we are still waiting for the result of that inquiry.

The main problem has to do with imports, it seems. In fact, 20 per cent of all textile products and clothing come from low-cost countries. Those products represent 42 per cent of the total imports. That affects 200,000 workers; here is the breakdown: 110,000 in the clothing industry and 83,000 in the textile industry, a total of 25 per cent of all Quebec workers.

We control only 55 per cent of the market, as against 70 per cent 20 years ago. No other country allows such heavy imports. In the United States, the industry contributes 90 per cent of the production and the government sets very stern import quotas. I will now say a few words on the Pinatel Piece Dye Works Ltd., a textile plant in my constituency.

That company suffers from being 40 per cent below its normal quota of workers; I am referring to the 1952-1970 period. Considering the working hours from 1952 to 1970 in terms of unpaid salaries, we get the figure of $500,000 per year. We can easily imagine the economic effect this has on an area such as mine. The volume of production went down by about 20 per cent and in order to get the present volume, 50 per cent of the production has to be on a marginal basis. How many other jobs could be created, if we had a good textile products policy?

As for Consolidated Textile, it has no relationship with the previous firm. Nevertheless those two companies would surely not be opposed to the government following an intelligent policy. Until September 1969, that company operated six days a week. Since then, the work week was reduced to five days, and at the end of the year the company closed down for two weeks. In 1970, unless something happens quickly, we will have to recognize that those companies will be forced to operate only four days a week.

It seems to me that tariffs managed to maintain within acceptable limits the imports from most of the industrialized countries. However, those tariffs are in no way related to the imports coming from countries were production costs are low. Quotas are the only device which has been efficient in this regard, and even of that, they are far from perfect. The only quotas in use at the present time are those exporters accept voluntarily as a means of autorestriction.

Consequently, they come too late and are too high, in view of the methods used. It is absolutely impossible for industry to plan its investments and maintain a steady employment level.

• (4:00 p.m.)

We want to know with regard to that policy, what role Canada will be expected to play. We are not asking for a guaranteed market, but only a decent limit be set for the growth of imports from those countries where production costs are low, through an efficient control of the main imports, at least until some other western countries have revised their severe restrictions.

The government has not seemed very eager to solve those problems rapidly. In June 1969, the Canadian government proved more generous than any other country in the world; we reduced the rate of imports in one sweep,

instead of waiting for five years. We adopted it immediately, more preoccupied by the textile industry than by wheat producers. We did so to control inflation. The textile industry made investments of one billion dollars in the last ten years. That alone explains why it managed to survive. Otherwise, those companies would no longer exist.

Canada should apply to the quota system the same policy as that prevailing in the United States. The embargo system is not good because goods are kept in storage and eventually cleared once the embargo has been raised.

Let me give you an example of what, I think, is really an unfortunate situation: last year, the Canadian government had agreed to buy from Korea 200,000 yards of material. Following a possible mistake, Korea delivered to Canada more than a million yards of the aforesaid material and now the Canadian industries are hampered by this surplus.

I have made these remarks hoping Parliament would consider the difficult circumstances of our textile industries. It is most interesting to watch the Minister of Regional Economic Expansion (Mr. Marchand) trying to vindicate himself and offering subsidies for new jobs and new industries in Canada. We should do well, nevertheless, to give a closer look to the problem and to bring about practical and specific reforms to put back on its feet the textile industry, which used to be a very profitable one. It is likely to recover if the present government provides the necessary amendments and remedies.

In brief, the Minister of Industry, Trade and Commerce (Mr. Pepin) has sometimes asked for suggestions and there is certainly one worthwhile suggestion and that is to curtail our imports. That, in my opinion, is the best remedy of all.

I deplore the fact that the budget provides that certain amounts which apparently were to be allocated for urban renewal in Quebec have not been earmarked for that purpose, which creates difficulties in that province, whereas in the course of discussions with the federal government there was a possibility of obtaining subsidies of about $94 million.

It seems that, because there has been a change of minister during the year, these subsidies will be reduced to about $50 million. The government members who represent Quebec City and Montreal did not see fit to discuss the matter in the House. But the people of those cities are greatly worried about their representatives who should be urging the minister to reconsider and to allow the continuation in Montreal and Quebec City of urban renewal projects which are needed and which had been approved by the minister then in charge of housing.

Here again, Ottawa will say: It is Quebec which is at fault. For various political reasons, it is Quebec which is to blame.

The province of Quebec is not perfect, that is sure! But I do not think that the Quebec government is so bent on refusing the grants required for the carrying out of provincial projects.

During this debate, the government and more especially members from Quebec should be urged to try to enter into a dialogue with the provinces, since we all want the same thing. We are all striving towards the common good, but we should abstain from political manoeuvring.

Now, the necessary link between the Quebec government and Ottawa has not yet been found. Yet, God knows that promises were made that it would be found quickly, thanks to a majority government and a large representation from Quebec. But, nothing has yet been done in this regard, although that would be so important, both socially and economically.

We are trying together for the benefit of all to achieve unity in the country. I wonder if it would not be better to endeavour first of all to establish harmony which is so necessary. We are facing various problems which have prevented understanding between the ethnical groups and between the federal and provincial governments.

We will keep on talking about equality and independence while refusing Quebec very important projects.

This very afternoon, I was disappointed to see that a little war was fought to decide whether or not Quebec would welcome in the co-operation of the federal government in the choice of names for schools and whether the latter would be allowed to hoist the Canadian flag. This quarrel is going on with much publicity. But I wonder whether this is not an attempt to provoke the members from Quebec. And they have been properly warned against fighting the election at the expense of Ottawa.

Mr. Speaker, I dare hope that in caucus, it will be possible to talk seriously and objectively in order to agree on a name for a school, even if it means losing a grant.

As a matter of fact, I am wondering how it is possible to deal with this subject, when we know that education comes exclusively under

provincial jurisdiction. Does the Government intend to draft a bill which would tie down Quebec in connection with education. I do not believe that things have gone that far.

The minister surely did not think very much before saying that Quebec would not get one damn penny from the federal government if it refused to give some kind of publicity. I suggest this government has enough members to do this kind of publicity, to tell the Quebec people about the federal financial contributions to various projects. For my part, I never fail to say, in my riding, what contribution is the federal government making to various projects. It is up to me to do it. I think that all members should say to their constituents that the Quebec government does not give enough publicity to the federal contributions to various projects. I do not believe that it is up to the provincial government to do so. It is the provincial government's duty to carry out these projects and to obtain the largest possible subsidies from the federal government. As for us, it is our duty, as representatives from Quebec here, to support the Quebec government, in the interest of young people who need education, with regard to the carrying out of such projects, which benefit Quebec in particular and Canada in general.

It is therefore to be hoped that these idle discussions become meaningful ones. I also express the hope that federal and provincial representatives may some day hold joint discussions and establish joint goals based on fundamental principles, in the best interests of Canada in general, Quebec in particular, and parliament.

• (4:10 p.m.)

Mr. Speaker, I took this opportunity to express my views. I think it will be at last possible for Canada to go ahead thanks to the contribution of strong provinces, run by governments that will have their say in discussions leading to shared-cost programs.

It is unthinkable that the government should continue to run Canada without consulting the provinces. Provinces have now a right to be heard. The federal government must hold important discussions with the provinces, and it will be hand in hand that the provincial and federal governments will build up something good to the advantage of the whole Canadian society. Only then will we be able to get closer and closer to the just society which I desire as much as the Prime Minister. All hon. members, I think, are for it.

How are we going to build it if at the start we refuse to the provinces the justice they are entitled to? I am not speaking of Quebec only, but of all the other provinces as well.

I hope, Mr. Speaker, that the budget tabled next year will propose solutions to some of the problems I have brought up so that our Canada will be more prosperous and a better place in which to live.

[*English*]

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, it seems appropriate, in view of the latitude permitted in the budget debate, to turn away for a time from our usual perspective on our legislative work and look at that work from the point of view of the country. What is the public's perspective of what is happening in Ottawa and of the direction the government is taking? What does the public think is happening in Ottawa and, perhaps more interestingly, how does the public's view of what is happening, which of course is a political reality, compare with the facts? It seems that we have had data with which to work. We do our homework; hon. members spend time with their constituents and gather their views. Lately, we have been bombarded with briefs, opinions and representations. But a dialogue, even though well intentioned on both sides, can rapidly become a confrontation, with opposed parties being polarized and stating maximum positions: absolutely for and absolutely against certain questions.

In these circumstances, every question can become an attack and every answer or explanation a defence. When this happens, analyzing public opinion becomes harder. We must go behind the public attack, so to speak, and try to determine what people are really objecting to, how far they are "with it" and what are the terms of their continued support. Consider, for example, the White Paper on Tax Reform. I have received many letters about it—

Mr. Orlikow: And how many coupons?

Mr. Kaplan: — and heard many discussions. I am convinced that changes are required and am also satisfied that there will be changes. Many wise suggestions for improvement have been made and I, for one, will be seeking opportunities during the work of the Standing Committee on Finance, Trade and Economic Affairs to marshall support for these views. Nevertheless, underlying the criticism or accompanying it, are some hostile themes which represent extremely widespread opinions which ought to have some exposure and

comment. I should like to expose some of these themes now in the fresh air of this chamber and look at them.

To many Canadians the White Paper on Tax Reform contains the final evidence they require to establish that this government is socialistic, communistic or totalitarian. May I read a sentence from a letter I have received that runs in this vein. The writer says, "The purpose of the document on top of the Estate Tax Act is to set up a completely Socialistic state. Socialism cannot survive without totalitarianism and totalitarianism based on socialism is communism."

Not only are people saying that, but some people allege the government is dedicated to the eradication of capital in the private sector; that the government believes it can invest capital more wisely and profitably than the private sector and that there is a movement towards levelling all people, that is, putting them all into the same economic position by ignoring the role of incentives and disregarding the value of the individual's productivity. Ottawa is viewed as being intent on expanding itself, increasing taxes and its share of the gross national product for the purpose of building up a vast bureaucracy which will soon constitute the whole of the labour force. People see the public service as a monster gorging itself on the private sector. These are some of the underlying feelings of people in Canada about what is happening in Ottawa, and these are the things I should like to look at for a moment.

Do the facts in Ottawa justify these suspicions, Mr. Speaker? I submit to you that these underlying suspicions are unjustified and when you look at the facts you will find them different from what is feared. When I looked at the statistics, the problem was settled for me. The fact is that the federal government is not growing. It is declining in size relative to the economy. For example, the federal government has spent on goods and services, that is for the public service and all the work it does including all goods it consumes, produces and distributes, a percentage of the gross national product which has declined steadily since the end of the Korean war. In 1953, that percentage was 9.6 per cent of the gross national product; by 1968 that percentage had declined to 5.3 per cent. In other words, far from taking more from the economy, the federal government now takes less.

You know, Mr. Speaker, the government is constantly complaining about not having control over all its expenditures. The Prime Minister (Mr. Trudeau) spoke about this during the question period today. I am referring to expenditures which are based on shared-cost programs shared with the provinces, such as the old winter works program, grants to universities and medicare. These involve funds which the federal government raises in taxes and which are spent by the provinces. It is argued at federal provincial conferences that, ideally, these programs should be reviewed to see which government can control them better and that that government should be given the responsibility for these programs—that is, given the responsibility both to raise the money and to spend it.

When Ottawa complains about having to contribute to these programs over which it has no control, Ottawa is accused of having created them. It is felt these programs have built up the public sector at other levels and contributed in an indirect way to the growth of the government monster. Even though I agree with the principle that it is not efficient to have taxation at one level of government and the spending of the moneys raised at another level, the relationship I referred to a moment ago still applies, even if all the shared-cost programs are considered as coming under federal spending. That is to say, total federal spending, including money which Ottawa raises and hands over to other levels of government to spend, has steadily declined in terms of a percentage of the gross national product, the decline being from 16.8 per cent in 1953 to 13.6 per cent in 1968. These figures come from the independent research of the Canadian Tax Foundation and appear in "The National Finances for 1969-70".

• (4:20 p.m.)

There are other ways to measure the size of the government. Consider the size of the public service as a measure. People talk about Parkinson's Law and empire building. They conclude that the federal public service is burgeoning with the object of gradually taking over the whole of the labour force. The facts are the opposite. The number of federal government employees has declined since 1955, both as a percentage of the total Canadian labour force from 3.4 per cent in 1955 to 3 per cent in 1969 and as a percentage of the Canadian population. There is one exception to this rule of steady decline in the size of the public service. During the years of the Conservative government, under the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker), 1958 to 1962, the

curve showed an increase. This increase began to decline after the Liberal party was returned to power.

The figures which I have are from the Dominion Bureau of Statistics. I am informed that these figures have never been requested before in precisely this form. As I have these figures here, I wonder if I might have the consent of hon. members to include the figures from 1952 to 1969 in the text of my remarks this afternoon?

The Acting Speaker (Mr. Béchard): I must point out to the hon. member that it is not the practice to append lists of figures to a speech.

Mr. Kaplan: Mr. Speaker, I would not ask it if these figures could be obtained by anyone by any other means. As these figures have not been produced in this form before, I think it might be useful for hon. members to have them. I wonder if the consent of the House might be given?

The Acting Speaker (Mr. Béchard): Possibly the hon. member could read the figures into the record.

Mr. Kaplan: I will come back to them if I have time.

Mr. Bell: We are quite generous on this side of the House, Mr. Speaker, provided they are not very lengthy, in spite of the fact the Minister of Finance (Mr. Benson) would not extend the same courtesy to us. We are still good sports. The hon. member can place these figures on the record.

Mr. Orlikow: I do not want to do anything which would interfere with the speech of the hon. member for Don Mills, (Mr. Kaplan). However, this issue was raised several days ago when the hon. member for Edmonton West (Mr. Lambert) wanted to put some figures on the record. Mr. Speaker ruled this could not be done. If we are going to have a policy, we ought to have the policy decided upon by the Speaker after proper consideration and not make decisions because some members are not paying attention.

Mr. Kaplan: Mr. Speaker, I do not propose to press the point. If all members do not consent, there is not much point in arguing.

In any event, I have only the figures up to March 31, 1969 and therefore they do not reflect the implementation of the reduction in staff announced in August, 1969 by the Prime Minister (Mr. Trudeau). In the Prime Minister's speech of August 13, he referred to a series of planned staff reduction measures and concluded "taken together, these reductions add up to 25,000 jobs—a 10 per cent decrease from the 1968 authorized size of the public service". When the results of this program are reflected in the statistics I referred to, the curve of decline in the size of the Federal Public Service will be even more steep.

Another measure of the government scale of operations is reflected in what it borrows. Everybody complains about the volume of federal spending and the size of the national debt. Here, this government is turning the tide of past trends. This will be the first year in over ten years in which the national debt is reduced in absolute amount. There has been borrowing this year, there has been debt repaid this year and, on balance, the national debt has been reduced. It has declined for the first time in over ten years. Let us hope this is not the last year in which the national debt declines.

The conclusions that I draw from these facts are that if taxation reflected only federal spending, taxes would be decreasing. Yet we have the constant complaint from the public indicating a feeling that the federal government is moving in the opposite direction. When a situation exists where the facts are precisely opposed to what the public thinks, some explanation is in order. I think two factors are involved in this public misconception.

First, there is the enormous growth of municipal and provincial expenditures which have increased very sharply since 1952, even if the shared-cost programs with which the federal government has burdened them are excluded. The public understanding of the different activities of the different governments is not as clear as it could be. I do not mean to suggest that municipal and provincial programs are indefensible—far from it. What I am insisting, however, is that the federal government is not contributing to this growth and that the government cannot be charged with socialism or empire building of this kind.

There is one area that deserves special attention. The constitutional development of this country has led to much duplication of services. This duplication did not matter at the time when total taxes were lower, but today the taxpayers should be complaining more than they are about this duplication. Why do we have 11 departments of agriculture, health, national resources and trade development complete with foreign services?

Do we want and can we afford the distinction of being the only country in the world with four national pavilions at Expo 70 in Japan? Much of the criticism of the government is misdirected, but perhaps at federal-provincial conferences the government should be doing more and striking a more urgent tone about this duplication. While the spending admittedly is done by different governments, the money all comes from the same pockets, from the same economy.

A second factor which gives rise to the misconception about the growth of the federal government and government spending, is undeniably the fact that the influence of the federal government is becoming more pervasive in today's life. Many Canadians have a very limited concept of what the role of the government should be, I wish to read another sentence from the letter to which I referred earlier. It reads:

> You were not given a mandate by the Canadian people to restructure our economic and social life.

In other words, we were not given a mandate to change society. This concept has very respectable origins. George Washington and Thomas Jefferson had the same idea. They thought the business of the government was to provide services to the people: sell stamps and run the post office protect the merchant marine and the coastline; print money; build public works; provide for a system of justice and serve society with the assumption that society was a static and stable community with a clear idea of what it wanted from the government. Serve society, but don't change it.

The White Paper on Tax Reform has brought this dimension of criticism to a head. If the word of the government is accepted, this tax measure is not designed to raise taxes but to redistribute the burden, shift the wealth and to change society. What business, people ask, does a government have to change the very society which chose it? What is the government doing, interfering with contracts and limiting the freedom of commerce?

• (4:30 p.m.)

The difficulty about the traditional and limited view of the functions of the government is that it depends on assumptions which were true when first accepted but which are false today. Society in the past was stable.

The economy was in equilibrium. There seemed to be a natural order in human relations. Today, the forces which used to keep order in society have largely disappeared. Women have been emancipated, youth is in revolt, the poor are in revolt, cities are in revolt, the forces of family authority, religion, the class structure, the master-servant relationship are all gone or are becoming steadily weaker. It is clear that order in the past depended upon the suppression of vast segments of society. It was easy to maintain order in a community in which 90 per cent of the people did not seek to improve their situations. Today, segments which were suppressed in the past are insisting upon the recognition of their claims.

What is happening in our cities is an interesting example. People say conditions in the cities have never been worse than they are today. In fact, of course, they have been a great deal worse. Imagine living in 19th Century London, for instance, in a community of more than a million people, crowded together more densely per acre than city dwellers are today, without sewers, without fresh water flowing into their homes, without public transportation, with animals kept in everybody's front and back yards to serve as beasts of burden, without electricity. Imagine the pollution which must have resulted from cooking on fires made with peat, coal and wood. Life in the 19th Century was a great deal worse from this point of view than life in any world metropolis today. Yet, people say conditions have never been worse. The difference is that today no segment of society is prepared to put up with conditions of this sort.

A century or so ago people did not care if their wives and servants were choking in the smoke of the kitchens. The less privileged in society had no means of expressing their views to the government or of bringing about a more equitable social order. The master and servant relationship was strictly imposed. The superiority of the male sex was insisted upon. Domination of the young was taken for granted. Nevertheless, these forces, though they brought stability, did so on the basis of serious injustice. It was law and order without justice, if you like—an attitude which cannot be accepted today.

The traditional structures having disappeared, government participation in assuring early recognition of the claims of underprivileged groups is required if this recognition is not forthcoming, if the liberated forces are not recognized, those same forces will wreck our society. Obviously, the government cannot sit back and allow this to happen. This is one of the reasons government must take upon itself a larger role in the society of the 'seventies.

In the economy, similar changes are taking place. When I studied economics just a few years ago at the University of Toronto, our analyses were based on a concept called equilibrium. We would analyse a condition of equilibrium and then, depending on circumstances, we would review certain movements which caused disequilibrium—increases in cost, decline in demand, increase in the money supply and so on. This concept of equilibrium came to us unchanged from the 19th Century, from the works of Adam Smith in 1867. Today it is recognized that there is no such thing as equilibrium in actual fact. Old economic ideas have to be discarded. Natural forces do not preserve competition, they do not maintain the marketplace, they do not assure power to bargain, they do not provide adequate liquidity either domestically or internationally. Neither will natural forces maintain a strong Canadian presence in the Canadian economy. The need for constant government intervention and participation is so obvious in a modern economy that we have reached a point at which the absence of government presence from a problem area can itself be regarded as an expression of national policy.

When the critics label government presence in the economy as socialism or as a movement towards a state economy, they are missing the point. So far, the policies of the Liberal government have been largely designed to create an artificial state of equilibrium. As Peter F. Drucker of the Harvard Business School has observed, the modern economic equilibrium which we try to create is, at best, something like a bicycle which can only balance while it is moving. This so-called government interference is really an operation designed to preserve free enterprise and protect economic opportunity, not to replace them. This, at any rate, is the position I take and it is the position of the Liberal party as I understand it. So this is another area in which the function of government is misunderstood and labelled socialism.

We can only hope that as the country becomes more involved in the process of government—and it ought to become more involved—the Canadian people will consider government decisions not in the context of what was done in the past, but in the light of the alternatives available, recognizing that the lessons of the past are not entirely relevant. It is a matter of choosing among alternative courses of conduct, those which will assure the maintenance of the values in which Canadians believe.

Now, Mr. Speaker, if I have a few minutes left, I will accept your suggestion and read the table into the record. The table is headed: Federal Government Employees, and Canada Total Employees. The figures given are from March 31, 1952 to December, 1969. I shall read four figures, the first being the year, the second being the absolute number of federal employees, the third being the total number of persons employed in Canada and the fourth being the percentage of federal employees to the total number. For 1952, 131,-646 of 5,169,000, being 2.5 per cent. For 1953, 163,192 of 5,235,000, being 3.1 per cent. For 1954—

• (4:40 p.m.)

Mr. Nowlan: On a point of order, Mr. Speaker. This question was raised the other day and I thought it had finally been resolved along the lines that an hon. member could file a table as long as he could identify its origin. This procedure would certainly make a lot more sense than having to read all those figures. The House is the master of its own rules. Your Honour has correctly pointed out that this is not the practice, but the hon. member who thought that he did have an objection is not in the House at the moment. I should like to ask the hon. member a question before his time runs out.

The Acting Speaker (Mr. Béchard): Order. The hon. member is right, but the problem has been resolved by the hon. member in his own way.

Mr. Kaplan: Mr. Speaker, may I press you to reconsider and to permit me to file them?

The Acting Speaker (Mr. Béchard): Does the House give unanimous consent?

Some hon. Members: Agreed.

[*Editor's Note: Table referred to above follows.*]

FEDERAL GOVERNMENT EMPLOYEES AND CANADA TOTAL EMPLOYEES
as at March 31, 1952–1969

Year	Number of Federal Employees	Total Number Employed in Canada	Percentage Column 1 of Column 2
	1	2	
1952.....	131,646[1]	5,169,000	2.5
1953.....	163,192	5,235,000	3.1
1954.....	171,366	5,243,000	3.3
1955.....	181,913	5,364,000	3.4
1956.....	182,835	5,585,000	3.3
1957.....	185,271	5,731,000	3.2
1958.....	195,390	5,706,000	3.4
1959.....	197,909	5,870,000	3.4
1960.....	195,630	5,965,000	3.3
1961.....	202,807	6,055,000	3.3
1962.....	205,553	6,225,000	3.3
1963.....	198,821	6,375,000	3.1
1964.....	201,900	6,609,000	3.1
1965.....	203,519	6,862,000	3.0
1966.....	212,646	7,152,000	3.0
1967.....	225,342	7,379,000	3.1
1968.....	235,492	7,537,000	3.1
1969.....	232,862	7,780,000	3.0

[1]Data with respect to prevailing rate, ship's officers and crews, and casual employees were not available in 1952, but have been included for subsequent years.

Prepared by:
Federal Governments Section
Governments Division
Dominion Bureau of Statistics
March 3, 1970

Mr. Kaplan: I recognize your feelings in the matter, Mr. Speaker, and I am very grateful to you for inviting the House to permit me this latitude.

Mr. Nowlan: Mr. Speaker, I want the hon. member to file them, but before his time runs out I want to ask him a question. I was interested in his speech, in which at the outset he said changes were necessary and that he was confident there would be changes to the white paper. I want to ask him what changes he contemplates to the white paper, and what his position will be if those changes are not made.

Mr. Kaplan: Mr. Speaker, I think that is a fair question. I am a member of the finance committee, and as such I feel I have some responsibility to hear the submissions which will be made to us before coming to any final conclusions. Howevever, I have taken the trouble to express my views at great length in material that I have been making available to my constituents. It is not a question that I should like to answer on one foot, so to speak, but I do not want to avoid the question. I wonder whether the hon. member would be satisfied if I sent him the material I have circulated on this question?

[The Acting Speaker (Mr. Béchard).]

Mr. Nowlan: Mr. Speaker, I would be glad to familiarize myself with it.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I, too, welcome the presentation of a budget, if for no other reason than that it enables me to have the opportunity to debate the economic state of our nation. A budget such as the one announced could hardly serve any purpose other than to give us an opportunity to debate. I feel that its total effect will be nil. Certainly, it gave no sense of reassurance, and it revealed nothing.

Last Thursday as I journeyed to and from the chamber and saw the batteries of cameras return to the hallowed halls outside, and as I looked once again and saw the CBC cameras under the glowing lights, it reminded me of the tense moments just before curtain time for a great production. This time I should like to call the production "The great Budget of 1970".

The budget day was a suspense filled duplication of that great day of the white paper on tax reforms, an occasion when for the first time I and other MP's were given the unprecedented thrill of being locked in the railway committee room where we waited with bated breath for the performance, which I would call "I am curious, tax reforms". Instead of bringing in this package of empty endeavour, the Minister of Finance (Mr. Benson) could simply have made a brief statement. In fact, the budget could have been described with two simple words—"nothing new". However, rather than do this the minister chose to re-embark upon a dialogue which is beginning to sound more and more like the theme of the old movie, "For Whom the Bell Tolls".

In his opening remarks, the hon. member for Edmonton West (Mr. Lambert) referred to the performance of the minister as "cold turkey". I think it would better be described as a bit of old ham. Historically, the year 1970 will become known as the year of the revival of Robin Hood, but a Robin Hood in reverse. This will be a new type of Robin Hood, one that takes from the poor and gives to the rich. On this occasion the Robin Hood of

finance and the sheriff of Parliament Hill do not have the masses with them. Hundreds of thousands of Canadians are not going to put up with tax reform under the guise of fighting inflation.

Far be it from me to oppose the presentation of a budget; but I do say that in failing to include measures to combat unemployment, which is reaching crisis proportions in certain regions—and these not short of urban-industrial content—the budget takes on a disturbing confrontation with many people in Canada. I refer in particular to what might be described as the country's self-inflicted unemployment, or instant unemployment as a result of austerity.

I find this situation to be a sad commentary on a government which, already famous for its inability to create an adequate number of new jobs, is now doing away with old ones. This government is trying to fight inflation by adopting a method that might be compared to the "pill". The government is trying to introduce prevention, but is forgetting the side effects, effects that can only be described as alarming and which in many respects are leading to economic infertility.

For these and other reasons, it is difficult for me to understand the attitude of this government. The Prime Minister (Mr. Trudeau), in his usual aggressive manner, said in a recent speech:

> We will not be bullied or blackmailed by hysterical charges or threats from opponents of the government's white paper on tax reform.

What an example of psychology in reverse! I should like to know who is doing the bullying around here. Who is being hysterical and who is making the threats? For example, who did the bullying when our NATO commitments were cut back, seriously affecting our prestige in the alliance? Who did the bullying when the strength of the Canadian forces was decreased to some 82,000 troops, which is but a political token of a military force? This force, as the Minister of National Defence (Mr. Cadieux) or the chief of the general staff will admit, is fast reaching a state of ineffectiveness for performing the role we are supposed to play in our national defence effort.

If we knew what was in the hearts and minds of our military leaders instead of having to listen to what they are told to say, then we would know just what our capabilities are. Some of our great military leaders, who in the last two years have retired in disgust, must find it difficult to accept the argument that one of the top priorities for our forces is the national development.

A few nights ago the minister of external affairs, during the television program "Encounter", said that Canada would be the battleground between the United States and any foreign force that directed missiles at the United States. Yet, as Canadians we are led to believe that this government is being sincere in reducing our defence spending by cutting down on the strength of the forces. All we are really doing is wasting that which is left of our budget and making our forces ineffective.

The maintenance of an effective military force is a necessary evil in these troubled times. As much as none of us wants war, if our country is worth preserving we must ensure that we will be prepared at any moment to deter attack and to share in a worth-while contribution to maintain peace in foreign lands. Let us not be hypocritical by wasting our defence spending on a mere token group of people in military uniforms. Some people in Canada oppose defence spending. If I may be permitted I should like to refer to an article that appears in today's *Globe and Mail* and refers to a Nazi officer who has been charged with 15,314 counts of murder. Let the people of Canada not forget this.

How can we keep talking about restraint in spending and at the same time set up a new department called Information Canada, to which over $7 million has been allocated in the 1970-71 budget? This is a prime example of duplication of effort and expense. Let me just look at the objectives of this body for a moment. Its objectives are to explain the many aspects of federal government policies and programs to Canadians, and to provide information that will assist the government to assess what Canadians think about federal policies and programs. I say that this is absolute hypocrisy. I am sure that the white paper on tax reform got the message across to Canadians; and I am also sure that the Minister of Finance must be able to assess the thinking of Canadians, and to do so at no charge.

What are Members of Parliament for, Mr. Speaker, if it is not to bring to the attention of their constituents the policies of the government? Perhaps this new organization emphasizes the lack of faith that the Prime Minister has in Members of Parliament. I repeat that this expenditure is an utter waste of the taxpayers' money and is nothing short

of hypocrisy. I can think of a lot of better places to spend $7 million at a time of spending restraint.

• (4:50 p.m.)

When are we going to start taking some positive action toward helping the poor? Why are we having more committees to study poverty? I pointed out in November, 1968, in my maiden speech, that the Economic Council of Canada did all the work in respect of the poor. They carried out 32 staff studies, and had five conferences. They presented seven papers and nine or ten other reports. Here we are spending months and months on another study. I suggest the homework is done in respect of the 5 million poverty stricken Canadians. The examinations have been written and we all passed with honours, so why do we keep procrastinating?

When are we going to do something about putting some action where our supposed expert minds are? This is not bullying or threatening, Mr. Speaker, this is a plea to the humanitarian feelings of this government. When the Senate committee has completed its report, are we going to have another white paper or is Information Canada going to send out questionnaires to the poverty-stricken asking them again if they are poor? The Economic Council of Canada came to the great decision two or three years ago, after all the studies I mentioned, that poverty was real in Canada. What are we going to prove when the Senate committee has finished its work? Mark my words, Mr. Speaker, that committee will come to the same conclusion and there will be a startling announcement that poverty is still real in Canada and we have to do something about it.

Unfortunately, we are faced with a crisis on our continent as a result of the evils of pollution, that is the pollution of our environment. I must give credit to the minister responsible for taking some positive steps to combat this evil. Let me ask about the pollution of the 5 million poverty-stricken Canadians who are under-nourished. What about the pollution of the bodies of the poverty-stricken who are living in unsanitary conditions and are subject to sickness and lack of medical care? This is not a new problem; this type of pollution has been with us for many years. Why have we not taken some positive action? Why do we procrastinate and hide the real reason? The poor be damned; let us fight inflation regardless of who it hurts.

Can anyone in this House of Commons say, conscientiously or with any sense of humanity, that we have any higher priority than dealing with poverty in Canada? Instead of sending $7 million worth of messages telling the people of the great policies of this government, let us give them $7 million worth of assistance. Let us concentrate the many millions of dollars we spend on other things to ensure that under-nourished children will have a decent opportunity to grow up and become contributing Canadians. There is an old military expression which teaches that an attacking army can only advance as fast as its slowest element. We should learn this principle. We should stop now, look over our shoulders and strengthen the weak to help them catch up.

What did we accomplish by our race to prosperity? We have attained richness by following a path to affluence through modern technology, which is running away with us, and we have polluted everything around us, in the process. Now, we are going to have to make huge expenditures to provide a cure. As a result, our state of prosperity is really false and we are being devoured by greed and selfishness. In the same vein, Mr. Speaker, I ask when we are going to look behind us and do something really worthwhile for those regions which need an injection of funds to inspire true development? When the Minister of Regional Economic Expansion (Mr. Marchand) announced that he was designating special areas for an infusion of funds, why did he make chalk of one area and cheese of another?

I thank the minister with all my heart for mentioning certain areas in Newfoundland, especially those in my own district of Humber-St. George's-St. Barbe with names that have never been mentioned in this House, such as Stephenville, St. George's, Port au Port, Hawkes Bay, Port Saunders, Port aux Choix. These places have been designated as special areas for development funds. However, there are other areas which he did not mention and which have been neglected for many years. The people there are also Canadians and deserve equal opportunity. These are the words of the Minister of Regional Economic Expansion.

I note that the Prime Minister (Mr. Trudeau) and his whiz kids are on a northern kick. They are going to the north now. The Prime Minister keeps going north with his band of highly paid experts, but I should like him to know that the north stretches a long way across Canada. There is a northern Newfoundland which he evidently forgets about and does not visit. There is no one who agrees more than I that we must develop the

vast riches of the north but let us remember all the north of Canada. I doubt very much if there are any great oil deposits in the part of the north I am thinking about, and I doubt if we will ever have any winter games there, but I can tell you that there are Newfoundland Canadians there. At least they thought they were Canadians, but they are still trying to find out about this great Canada of ours they heard or read about after Confederation. Will they ever get the opportunity, after 20 years of disillusionment and promises, to know that they are also part of this great democracy and that they will be able to become involved in this opportunity of empty words?

They never got a chance to utter those magic words "just society" which held such high hopes but turned out to be nothing more than an electioneering gimmick that became distasteful to even utter. What have we accomplished in the province of Newfoundland since Confederation? We top the list in everything that counts. We have the highest cost of living in Canada, the lowest wages, the highest unemployment rate—some 20 per cent—and we are closing in on the first billion dollar debt of the ten provinces. What price glory, Mr. Speaker?

We have one of the great potentials of any province in respect of our God made resources. We have the fish in the sea, vast timberlands and unmatched beauty. What do we develop, or I should say try to develop? We develop shoe factories, rubber factories and candy factories. We have just about obliterated our fishing industry over the years, to the point where I doubt that even the minister of fisheries, who has done such a commendable job, can save it.

We have given away most of our areas through rights to explore for minerals and oil. This denies any clear thinking planner the opportunity to develop our park potential. Why we have not heard about gold and diamonds I will never know. It might be surprising to western members to know that Newfoundland has areas of rich farm land which has been allowed to deteriorate through a lack of care and planning. We have lost an important means of communication in our Newfoundland passenger service, to the inconvenience of many hundreds of our people, through a callous and determined attempt to eventually remove the CNR from Newfoundland. The rail express and freight service is following the same trend in Newfoundland and the CNR is deliberately, at this moment, gradually, but completely and progressively, downgrading the maintenance of our tracks and services. It is closing down railway stations. We will very soon again hear the tale of woe from the president of the CNR that this service has not paid and Newfoundland will once again, through out and out treachery, pay without a whimper because of those who should be concerned but who will do nothing.

One of the most acute problems in Newfoundland today, apart from all the shortcomings of our province which I have mentioned, is the serious lack of housing. This is a situation which is not only serious but is desperate. Here again, even though the measures taken by the minister responsible are commendable, the situation is not being helped. The $200 million allocated for low cost housing in parts of the Atlantic region, especially in isolated parts of Newfoundland, does not do us one bit of good because where land is available it is not serviced so it cannot qualify under CMHC. Where the land is serviced, the people who need the homes are in the lowest salary brackets or are unemployed and could not qualify for a loan. So, I say to the minister, and I have discussed this with him, we must take another hard look at the situation. I hope he will save some of the $200 million for those people who are living in housing conditions which in some cases can only be termed as unbelievable.

The next 25 years will be critical for the economy of this country. We must, in our planning, consider not only the necessary dollars, factories, skilled workers or natural resources, to run our country but we must consider the people. I plead with this government not to forget these hard facts in the coming years.

• (5:00 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in the past 12 or 13 years I have listened with a great deal of interest to a number of budgets, probably 20 in number. This is the first occasion on which I have asked myself why the government bothered bringing down a budget at all. It is not absolutely necessary. This budget did not do very much. For this reason one might wonder why it was presented at all. The attendance during the debate has been such that many members must be asking themselves the same question. The attendance this afternoon has been as low as 14.

An hon. Member: Nine.

Mr. Peters: Maybe it went down to nine.

An hon. Member: When you were not here.

Mr. Peters: I have been here or very close by. The interest in the budget is very limited. The budget debate is one of the classic debates in this House, but it would seem to me that this budget debate will not bring forth very much interest because the budget itself did not contain much of interest.

I think part of the difficulty stems from the fact that we have had the white paper and many Canadians are concerned about it. I presume that there are more people concerned about it than there are people who are in favour of the propositions contained in it. Many people had thought the government would have increased personal exemption in respect of income tax. Some people believed this was already in effect. It is surprising how many people make such an assumption from what they read in the newspapers. Most people who make inquiries about the white paper do not make them really on the basis of the white paper proposals but rather on the basis of an impression they have. I would be interested in knowing the motivation of many people who have sent me clippings. I should be interested in knowing whether or not they have really read the proposals contained in the white paper. I do not know whether they are really concerned about the proposals of the white paper or are concerned about what is being said in the newspapers concerning what is contained in the white paper.

This raises another problem. One of my colleagues told me today that two persons who have been members of the press gallery for some time have been appointed executive assistants to the government. The executive assistants whom I have known over the years were good newspapermen. I congratulate the ministers who appointed them. When we realize that the best people are hired for these positions and then look at the press gallery, we sometimes wonder what the public receives in the way of information. While many people have read the white paper, most people depend on what the newspapers say about it. So, it is really the people in the press gallery who are interpreting the white paper and the people are reacting to this interpretation rather than to the facts. There are another 10 persons or so whom the government could hire as executive assistants from among the members of the press gallery and that would be the end of that. If anyone doubts this, I suggest that they take a look at some of the people who have been hired by the government departments.

I always thought that a newspaperman received a fairly good salary. Perhaps he receives more as an executive assistant. It is certainly a smoother job with no deadlines, and perhaps one can become an expert in this field more easily than in the newspaper field. This raises in my mind the question of how the people are to really know what is happening in Parliament. As an example, I might refer to the question period. The questions presented by members of the press to Members of Parliament are pretty poor questions. The executive secretaries to the ministers already have the answer before the question is asked because of their previous experience. I think this is a reflection on all of us and perhaps we should find another way to obtain questions.

The fact that there was nothing in the budget, and the fact that very little has been said in the newspapers and other media about the budget, does not mean the budget will have no effect on the public. In my opinion it will have a detrimental effect. There is no relief for Canada's poor. A number of people have pointed this out. We have decided in Canada that the poor should become poorer and the people on higher incomes should become more affluent.

I should like to see the government undertake a study to determine how much tax the old age pensioner pays. Anyone who maintains a house will know there are considerable hidden taxes which he must pay. He must buy paint or material to repair a step or a floor, and so on, and he pays a tax on this. Every time he buys something he pays a hidden tax. It is surprising to me that the tax the old age pensioner pays is the same as the tax paid by the very affluent person. Of course, one can only drink and smoke so much and one can only buy so much for his daily needs, and the amount is almost identical in the case of those who have and those who have not. The poor person percentage-wise pays a very much higher tax than the more affluent person in the middle class. What protection is there for those in this class? It is interesting that the old age pensioner and those on fixed incomes pay the same tax on clothing as anyone else pays. Perhaps it is not possible to arrange things otherwise.

The Minister of Finance (Mr. Benson) is taking a free ride for a two-year period. He

announced in the white paper that the personal exemption will be increased to $1,400. This is not to become effective now but rather in 1972. It would seem to me that such a concession would affect many people between the age of 60 and 70. As we know there is an additional exemption for people over age 70. But nothing has been done for many people who depend on the old age pension. There is no indication that anything is to be done for those on veterans pensions. The committee which has been investigating this matter has been faced with the whole matter of the Pension Act and the proposals made by the Woods Commission. The government should be implementing increases in the war veterans' allowance and in war veterans' pensions. The government has indicated it is not capable of controlling the rising cost of living and is attempting to apply the brakes. From my point of view, and from the point of view of many Canadians, this obviously is a myth because the government is not putting on the brakes. The Minister of Finance has stated that he has not been able to apply the brakes on salaries or wages. But he has been able to apply them to the old age pension. The cost of living goes up 4 or 5 per cent and the old age pension goes up 2 per cent.

• (5:10 p.m.)

I mentioned the press a moment ago. It is interesting to note the lack of conclusions reached by some of the columnists. I should like to refer to some of the things they said about the budget. I have here an article written by Anthony Westell in the Toronto *Star* of March 13. This is what he said about the Minister of Finance and the budget:

> But he offers nothing to the thousands of Canadians who pay taxes into his coffers despite the fact that their earnings are below the poverty line.
>
> Benson can't be blamed for rising prices; there are no new economics as yet to show him how to master the new inflation. He is probably right when he says he will be satisfied to cut the rate of price increase this year to about 3 per cent.
>
> But Benson can and should be blamed for not helping the Canadians on fixed incomes who are the victims of the inflation.
>
> Consider, for example, the effective tax on the 800,000 Canadians who draw basic old age pension and a guaranteed supplement because they lack private means.
>
> Their income rose from $109.20 a month last year to $111.41 this year—the maximum 2 per cent increase permitted by the law—which is $2.21 a month.
>
> Now Benson tells them the purchasing power of their new pension will fall at least 3 per cent or $3.43 a month.
>
> So the inflation tax on pensioners is around $1.20 a month. Benson does not impose it, but he lets it happen.
>
> All in the public interest of battling prices, he assures us.
>
> It's bad enough that we have to combat rising prices by deliberately wasting economic resources —by putting some men out of work so that others will fear for their jobs and reduce wage demands, and by slowing down the factories to persuade businessmen to cut costs.
>
> This economic squeeze will cost us billions in lost production this year because the economy won't grow as fast as it could.
>
> For every $4.80 in real growth last year, there will be growth of only $3 this year, says Benson, adding that he can't put a total to the sum yet.

Farther on he says:

> In fact, it is difficult to escape the impression that in this budget, Benson is really marking time, waiting to see which way the U.S. and Canadian economy will move in the next few months. And that the threat to control credit is mainly a gesture to show that he is still serious about fighting inflation if he has to—a psychological ploy to conceal the fact that there is nothing much in the budget.
>
> Nothing much except the refusal to extend a helping hand to those most in need.
>
> Benson is, of course, proposing to make a massive transfer from middle income to lower income groups in his tax reform next year. But that is 12 lean months away, and it is strange that he should have refused a temporary transfer this year from his surplus.
>
> Perhaps it is not too late. Many Liberals had anticipated at least a pension boost in the budget, and will be bitterly—and politically—disappointed.
>
> They should use their new freedom and muscle as participating backbenchers to persuade Benson to change his mind about the budget, as he is willing to do about tax reform.

So, the author of the article states the problem fairly clearly but comes to no conclusion except to say that perhaps some backbenchers in the Liberal party will take a stand. He does not recommend that they take a stand but says that perhaps they will do so because they have new muscle as backbenchers. If they have it, I fail to see that muscle exercised in the House, although I see a lot of it in the various committee meetings which I attend. It is interesting to note that when the committee recommendations come to the House, those members sit on their hands rather than stand up to be counted on the side for which they previously spoke.

We are living in difficult times. There is no doubt that inflation has been and is a problem. It is also a fact that nothing much has been done to curb it. It may well be true that we are so closely tied to the United States' economy that we cannot do anything about inflation. I think this raises a major problem

which should be faced in the budget statement by the Minister of Finance, if he is worth his salt.

I would like to quote again the same writer, this time on another matter on which he is more specific and on which he comes to a conclusion, but again his stand is not too definite. I suggest to him that working as he does for the Toronto *Star* he should find it very easy to take a stand in between elections—although his article may not appear at election time—because he will find much support from small "l" liberals who read the Toronto *Star* and share its views. He refers to a rift which has appeared among some Liberal backbenchers concerning the Canadian economy, and speaks about the Canada Development Corporation. This is what he says:

> The development corporation was first conceived by former finance minister Walter Gordon as part of his 1963 package of policies to counter the steady take-over of Canadian business and resources by U.S. capital. It was supposed to mobilise Canadian capital as an alternative to the growing foreign investment.

I should like to say that that statement is not correct. The Canada Development Corporation was an idea that was developed at the New Democratic Party convention in 1961. Many of the people who participated in the development of the New Democratic Party later became executive officers of the Liberal party. Some of them are now members of this House, and several of them are members of the cabinet. At that time many members of the elite in the province of Quebec supported the idea of the development of the New Democratic Party and were also interested in the development of the Canada Development Corporation, an idea which was later picked up by others and interpreted in a number of ways. There is still great division among Liberal party members regarding the Canada Development Corporation. The article goes on to say:

> As president of the Montreal Stock Exchange in 1963, Eric Kierans played a leading part in destroying Gordon's program. Today he is communications minister and believes it would be a great mistake for the corporation to sell shares to the public or to become owner or controller of any Canadian business.

Let me say that he is not too damn good with one of the businesses we already have in Montreal, and if he does not smarten up he is going to be out of that business as well. The article goes on:

> Kierans suggests that the corporation should use government funds to buy secured bonds in Canadian enterprises needing capital. The private owners would put up the risk capital, control the company and take the profits.
>
> But should the government tax Canadians, including corporations, to raise money for the corporation to lend to other Canadians for business purposes, with no degree of control or share in the profits?
>
> In the era of giant corporations, drawing on vast financial and managerial resources and operating across national borders, some Liberal thinkers see the corporation as Canada's best chance to compete with U.S. companies. They would like to see the government provide the framework and the initial finance to mobilize money and talent to give Canada a chance in the big league of world business.

• (5:20 p.m.)

> This would mean direct state intervention in business, and would not be acceptable to more conservative Liberals who still put their faith in free enterprise.

Then, there is a heading, "A Radical Version Appears." I should tell him it predates the last radical version.

> The New Democratic Party, meanwhile, has appropriated the corporation idea, and written a radical version into its own program. It would require all financial institutions and corporations to put part of their resources into Canada Development Corporation bonds, and the development corporation would be an agent of government, directing investment, expanding public ownership, aiding regional development, organizing mergers of small business into large, efficient units, and providing scientific, technological and managerial expertise to private industry.
>
> As the Liberal party often responds to pressure from the Left by taking over some of the N.D.P.'s ideas, it is reasonable that some Liberals will associate themselves with this concept of the Canada Development Corporation.
>
> When Gordon first proposed his corporation seven years ago, it was considered dangerously radical and was bitterly attacked by private business interests. Today, the Gordon blueprint looks mild in comparison with some alternatives.

The government will have to go ahead in many fields. This afternoon we heard some criticism of and some support expressed for regional development. There has been considerable criticism of the recent announcement concerning designated areas. I am not too clear what designation will mean for the new areas encompassed by it, but it certainly means one thing to the members who represent those areas.

I was interested to hear their statements on this matter. I was interested to read the minister's statement on his proposals, as reported in the press, and I am interested in the reaction shown by some of the provincial governments concerning this new designation. I will be interested in seeing how it develops. But,

Mr. Speaker, having lived in and represented a designated area for a number of years, it seems to me that the mere fact of designation is in itself no answer. Expertise will be required. Capital will be required, and scientific planning to provide initiative for industry. The latter is lacking today. I may be wrong, Mr. Speaker, but to my knowledge the original development program cannot claim responsibility for establishing one new industry. Certainly, it assisted many industries, but it did not initiate any. The strength of the program will be discovered by going back to the original proposals, picking out slow growth areas and creating vibrant municipalities in them.

According to the minister's recent proposals, if a municipality wants to up-grade its industrial potential the federal government will lend the necessary money to the provincial government for the development of the municipality's services, in order to encourage industrial development. This will go down well in those provinces which have already decided on this course of action. But there are a surprising number of areas in Ontario in which the provincial government has gone it alone, and it is surprising that the province has shown great reluctance to co-operate with the federal government in developing other areas. Much expert advice will be required.

There is one particular problem in my area which may soon reach crisis proportions, and the federal government is not being the least bit fair about it. The federal government has not really made any public declaration of whether it is going to close gold mines in Canada this year. I am not sure of the role which gold is playing in the Canadian economy at the present time. Neither are many economists sure of that role. But we know that gold is an export commodity. Last year it made us about $7½ million, discounting the subsidy paid on it. Further, we hold gold in our own country. Gold still plays a role because there are certain purchases which must be paid for in gold. But as you know, Mr. Speaker, the gold mining industry has been supported for many years by the provisions of the EGMA, which now support about 30 mines at an annual cost of about $14 million.

In this connection it is interesting to note that mining communities are divided into three categories. First, there is the community in which gold mining may be the sole economic base. If gold mining is closed down, then obviously the community closes down too. In many cases this may mean that 500, 600 or 1,000 families will be left on welfare because there is absolutely no other type of industry available for that community. If the Minister of Regional Economic Expansion (Mr. Marchand) were to rise in his place and say that the EGMA. would be discontinued, and that the government had designated this first category of mining community as areas requiring special assistance and was ready to start moving industry into them, then all would be well and good. People in those communities would express considerable support for the transfer from the gold mining industry to secondary industry. But such a transfer simply cannot be made by the manpower program retraining gold miners, because most of these people are over the age of 47 or 48 years.

Many of these people do not speak much English. Their educational standard is very low, and they cannot be retrained. Their educational standard cannot be raised to that of Grade 10. Many of them have not attended Canadian schools. Their familiarity with our written language is very limited. They have been employed in this one type of industry all their lives, and their ability for retraining is limited.

Then, there is another class of community where the impact will be very heavy. It is the area in which gold mining is partly responsible for upholding the economy, and here I speak of places like Timmins and Kirkland Lake where there are other types of industry but not sufficient to support the communities if gold mining is closed down. Here the retraining problem is exactly the same. These people cannot be employed in different types of mining. They are too old to be retrained. I am sure other mining firms would not accept them because they have spent their lives in silica mines, in hard rock mining, and other companies would fear the necessity of providing silica pensions for them in later years.

The last category of community is the most recent on the scene, and it is difficult to forecast the impact on it. Here I speak of mines such as McIntyre, the Ross Mines, and others. I am speaking of mines in northern Quebec and in the upper Kirkland Lake area. They are gold mines, and during their underground development substantial bodies of copper were discovered. They have both a gold operation and a copper operation run in conjunction with each other. I believe that in many cases their gold operation is supporting a very uneconomic copper operation.

But if the price of copper continues to rise their copper operations will prosper, and there will be no difficulty. However, I am fearful that in certain cases if EGMA is discontinued their copper operations will also come to a stop. I think that the Minister of Finance should have made a reference to this matter in his budget. The EGMA, which is renewed every three years, is destined to be retired at the end of this year unless reprieved. Numerous task forces have been looking at this whole problem, including one interdepartmental task force, and another task force within the Department of Mines, Energy and Resources. The municipalities, mining communities and mining companies are all afraid that this will mean the end of gold mining in Canada. I think the minister had an obligation to refer to the matter in the budget so that an opportunity could have been afforded to those concerned to act before the deadline arises. The workers in the maritime coal mines, in the Dunlop Company and in other enterprises, have made pleas for assistance in the hope that action can be taken on their behalf by municipalities and Canadian citizens.

• (5:30 p.m.)

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, I am very pleased to participate in this budget debate because I believe in the age old theory that a nation's possibilities are always far larger than its problems. The day we lose sight of this in this House or country it will be a bad one for this nation and its people. I think it is good that we should rise in this House, complain about our problems and tell the people in this House and the country about those problems. It is also good for us to tell the people of this country that some good things are being done. The story should not be one sided. I think the news media has a great responsibility in balancing both sides of the story.

Mr. Peters: Hear, hear.

Mr. Hopkins: May I quote a sentence from the writings of Alfred North Whitehead, who said:

> The love of humanity as such is mitigated by violent dislike of the next-door neighbour.

Sometimes in this chamber we seem to fight in our debates, occasionally, with members across the floor. Sometimes the people may think that we dislike our neighbours in the House very much. Those impressions are not always true. Let it be said that there is a

reasonably good rapport among hon. members on all sides of this House. In the last four years, many items of legislation have been brought before the House and, on looking back, it is sometimes difficult to say whether one has achieved anything. It ought to be remembered that much is accomplished here in committee meetings, through consultations with ministers, and through discussions with other hon. members of this House.

One of the good things that happened last summer was the announcement by the Department of National Defence that the old H hut, the only H hut still left at CFB, Petawawa, was to be torn down. The hut was the military hospital. If any member of the armed forces was not depressed when he entered the hut he certainly was when he left it. The new hospital is in the process of being built and will be ready soon. The Minister of National Defence (Mr. Cadieux) is to be congratulated for putting this project through.

Another thing I have been fighting for in the House and outside it, throughout my riding and on the news media is the regional development of the Upper Ottawa Valley. My colleague for Lanark and Renfrew (Mr. McBride) teamed with me in the House and sponsored a resolution asking for something to be done. By utilizing such tactics hon. members can hammer away with their demands for their areas. They illuminate the problems of their constituents. A similar procedure is used by hon. members from all parts of the country, from the Maritimes, the Prairies, and by those representing fishermen and farmers. There is absolutely nothing wrong with such procedures. I say that once you start a fight you should continue it.

On December 15, 1969, in speaking on the resolution sponsored by the hon. member for Lanark and Renfrew, I said in part as reported at page 1986 of *Hansard:*

> I can say in all sincerity that as long as I am a member of this House representing an Ottawa Valley constituency, come what may I shall be fighting the battle for designation and improvement plans for this area.

I want to say on behalf of the people of the Upper Ottawa Valley, and my colleague for Lanark and Renfrew will go along with me, that we appreciate the action taken by the Minister of Regional Economic Expansion (Mr. Marchand) in including our area in the 22 special areas of this country that have been listed. The designation is very important to us because, as you know sir, we have experienced some tragedy. There have been fires in the area. We have not benefitted

in the general industrial expansion of the 1960's. We have unemployment. Recently the forestry industry in our area was attacked, but the attack was more emotional than realistic. We believe that the recreational and forest lands of this country can be put to multiple uses; they can be used for tourism and for industry as well as for other economic purposes, such as recreation. We think we can all live together very well.

This country is governed under the British parliamentary system of government. We can fight as much as we want within the confines of our parties, but not on the floor of the House. Because a man has fought with his party is no reason for him to feel disloyal to his party. So far as I am concerned, I have fought this battle of designation and regional development for four years, but had no intention of leaving the party. I ran on the Liberal ticket; I am a Liberal and I will remain a Liberal.

An hon. Member: Shame.

Mr. Hopkins: I am grateful to the Liberal party because it is the only party which has done anything to foster the development of the Upper Ottawa Valley.

Mr. McGrath: The hon. member is contradicting himself.

Mr. Hopkins: May I answer that comment, Mr. Speaker. The Tory administration which was in power between 1957 and 1963 was defeated because it did not do very much. If the present government is ever defeated, it will be because it is trying to do too much for the country.

Mr. McGrath: Now that, Mr. Speaker, is really illogical.

Mr. Hopkins: One matter must be brought to the attention of the legislators in this House. I am speaking of the serious shortage of medical doctors in the rural areas of Canada. We are reaching a stage today where in many rural areas of Canada there is no longer a practising doctor. People must travel miles to see one. We must give serious attention to putting more money into medical schools. We should take a good look at the high standards demanded by the medical profession. Adequate facilities must be built in our universities to permit more students to enter the medical schools, and to provide medical services for the Canadian people. In my area there is a shortage of doctors.

• (5:40 p.m.)

There has been talk about regional development under the old Area Development Agency Program which ended last December. Even with assistance from the federal government under the ADA program 95 per cent of new industries started during those years went into the major urban areas of Canada. Only 5 per cent were in the smaller towns and communities. This present program must be emphasized because Canada cannot afford to have massive urban areas such as New York City or Chicago which are faced with pollution problems, social problems, transportation problems and all the other factors that go with massive urbanization.

There are vast opportunities in Canada. We in this House have the responsibility of diversifying the economy and trying to spread industry throughout the country. We must assist the rural areas to develop. Employment must be provided in the small communities. Assistance should be given to reorganize the farm communities so that the young people may get into the farming business. In this way the great flow of young people could be diverted from the urban communities. This would assist one of the major problems, that of housing.

I wish to deal briefly with the housing problems of the Canadian Armed Forces. On April 1, 1969, a statement was made that there would be a blanket increase of $15 per month in the rent for married quarters on DND property. At the end of this month I understand there is to be another across-the-board increase of $15 a month. I am a great admirer of the present Minister of National Defence. He has done a great deal to assist the armed forces, including maintaining their morale. I hope whoever is holding the purse-strings will reconsider this matter and give some assistance to this minister and to the armed forces.

I wish to put forward what I feel is a constructive recommendation. I would like to see a subcommittee of the Standing Committee on External Affairs and National Defence visit military establishments across Canada to see the type of married quarters that are available. I am sure they would realize that across-the-board rental increases are unfair because some dwellings are very good, others are certainly only average to say the least. If we are to be fair to the members of the Canadian armed forces living in these houses, we must assess rent on the quality of the dwelling.

We like to talk about finances, Mr. Speaker, when it is favourable to us. We hate to talk about finances when the situation is not favourable, but these are the facts of life which we must face. From listening to speeches in this House and on television, I have almost come to believe that it is sinful to pay your bills and have a surplus. Is it wrong for a country to be in a healthy financial situation? We have a national debt! We have bills which cannot avoid being paid! We have made commitments for which we must provide funds! I wish to remind the main critics of this budget that it is better to have a surplus in 1970 than to repeat what happened when Her Majesty's Opposition was in power. There was approximately $990 million in the unemployment insurance fund at that time. During their administration they not only depleted that amount, but additional funds had to be added. I do not consider that to be responsible financing. Canadians are proud people. They like to pay their bills. There is no sense trying to be good boys today and then being in a serious financial state tomorrow. It is a hard fact to face, but responsible people must face it.

When watching a television program a few weeks ago of a massive meeting in Toronto, chaired by John Hull, head of Public Relations Services Limited, the hon. member for Don Valley (Mr. Kaplan)—who was successful in defeating a very eminent Canadian in the last federal election,—was asked the blanket question, are you or are you not in favour of the white paper? I think that is the most ridiculous question which could be asked of any individual on any platform with regard to a document covering as much ground as does the white paper. There are many parts of the white paper which are good; there are others which in my opinion could stand improvement. But let us get this straight: it is, after all, a white paper, not legislation, and the present government is, to my knowledge, the only government which has had the intestinal fortitude to put out a white paper on financial and taxation matters for discussion by the general public. This is an innovation in Canadian politics. I do not mind all the mail I am getting on the subject. I am getting lots of mail, and I intend to answer it. Let it not be forgotten that the document is intended for discussion by the people; it is not a fait accompli.

• (5:50 p.m.)

I am sorry the Leader of the Opposition (Mr. Stanfield) is not in the House now but he was here today. I do not intend to attack him in his absence from Ottawa in the same way as hon. members opposite attacked my leader when he was absent from the House in the North a short while ago. The Leader of the Opposition has been travelling across the country complaining about the white paper. That is his privilege. He is saying that if some parts of it are implemented he will repeal the legislation should he get into power. Thus, he is building up his image as a responsible financier. I am not saying he is not a responsible financier, Mr. Speaker, but I should like to remind the Canadian public that at Glace Bay, Nova Scotia, there is a monument in the shape of a heavy water plant; it has been built since 1963 when the hon. gentleman was premier of Nova Scotia. To date, $110 million has been sunk into that plant by Nova Scotia and it was supposed to have started production a few years ago. So far, however, it has not produced a single thing. Now, we are told that a further $30 million or $40 million will be required to repair this plant and put it into shape. This will bring the total up to about $140 million. I hope the time is not far distant when this plant will begin to produce, because we are in a serious situation in this country as far as supplies of heavy water are concerned. My own constituency is affected as far as Atomic Energy of Canada is concerned.

My point is this: the Leader of the Opposition is going around the country trying to convince the Canadian people that he is an expert on taxation and other financial matters. Let him at the same time explain, particularly to 760,000 good people in Nova Scotia, why he spent $110 million of their tax money on a project which to date has not produced even one pound of heavy water for this country. Is this evidence of solid financial sense?

An hon. Member: What about the *Bonaventure*?

Mr. Hopkins: We could go into many things. If the hon. member wishes me to quote something I will be happy to do so. This is an item taken from the Charlottetown *Guardian* of June 28, 1969. It is headed: "Glace Bay Heavy Water Plant requires $30 Million Face Lift". It reads:

> A report on the Deuterium of Canada Limited heavy water plant at Glace Bay, N.S. says the plant will need substantial modification before it can be brought into production, Premier G. I. Smith of Nova Scotia stated Friday.

The report goes on to deal in detail with the items I have mentioned.

I always like to see prominent members of the opposition coming into my constituency and speaking at annual meetings of opposition parties. I have a rather interesting document here. This quotation is taken from an item which appeared in that eminent paper, the Pembroke *Observer* of January 29 of this year. The hon. member for Parry Sound-Muskoka (Mr. Aiken) was the guest speaker at the annual meeting of the Renfrew North Progressive Conservative Association. I will give him credit for this—I understand he told his audience that the present sitting member was not such a bad fellow. But then he went on to say:

> Both Len Hopkins (Renfrew North) and Murray McBride (Lanark-Renfrew) spoke on a private members' bill complaining that eastern Ontario had been overlooked, but they might as well have been talking to a stone wall. The government doesn't listen to members on its own side of the House, let alone to opposition.

I wonder what the hon. member thinks today, six weeks later, now that the very area in which he was speaking is receiving special area status.

My colleague in the provincial legislature has also been taking me to task. It is great fun when you are under fire and the other guy is on top. You have to take advantage of the situation when you can, because you know the day will come when you will get the same treatment. The hon. member for the provincial riding of Renfrew North stated at the same meeting:

> I suggest to Mr. Hopkins that when the province decided to have an equalization of opportunity plan we didn't go to the federal government to ask it to set up plans for us.

What Mr. Hamilton did not say was that, according to the Canadian constitution, the economic development of this country is basically the responsibility of the provinces. I disagree with this constitutional element. Mr. Hamilton should not be putting the blame on the federal government when his own government should have been doing more for the economic development of the province.

Mr. Deputy Speaker: Order. It being six o'clock this House stands adjourned until tomorrow afternoon at two o'clock.

At 6 p.m. the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, March 19, 1970

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

PRIVILEGES AND ELECTIONS

Fourth report of Standing Committee on Privileges and Elections, in French and in English—Mr. Laflamme.

MISCELLANEOUS ESTIMATES

Fourth report of Standing Committee on Miscellaneous Estimates, in French and in English—Mr. Leblanc.

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

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I seek the unanimous consent of the House to move a motion under Standing Order 43. I base my reason for obtaining an unanimous consent on the fact that during February unemployment in Canada increased from 6.1 per cent to 6.5 per cent of the work force, the culmination of a steady rise during the past several months.

What is particularly alarming is the government's refusal to take positive action to increase employment, and specifically to take steps which would enable:

1. A greatly expanded drive to increase exports, and thus create more jobs.

2. The introduction of tax incentives to increase productivity so that our products will be more competitive, sell more readily, and create more jobs.

3. The Bank of Canada to give the lead in lowering interest rates, so that lower costs will lower prices, increase sales, and increase jobs.

I therefore ask leave to move the following motion under Standing Order 43:

That this House, comprising the elected representatives of all the people of Canada, consider and recommend a more effective method of increasing exports, productivity and sales, and thereby increase employment in this country.

I might add that since a number of important questions are involved in the motion which is to be considered by the House today, in the event of my being given unanimous consent to put forward this motion Your Honour might consider having it debated tomorrow, because the motion is of such importance that it deserves a full day to itself.

Mr. Speaker: Hon. members know, of course, that the motion proposed by the hon. member for Prince Edward-Hastings cannot be put to the House at this time unless there is unanimous consent. I must inquire whether there is such unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Some hon. members agree but others express disagreement, and because of this the motion cannot be put.

• (2:10 p.m.)

MOTION TO ADJOURN UNDER S.O. 26

LABOUR CONDITIONS

UNEMPLOYMENT INCREASE—ALLEGED ABDICATION OF RESPONSIBILITY BY GOVERNMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the failure of the hon. member for Prince Edward-Hastings to get unanimous agreement to proceed with his motion, I should like to ask leave, seconded by the hon. member for Winnipeg North Centre, to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the abdication of responsibility by the government toward the unemployed and those who will soon face unemployment by its failure to implement policies to reverse the

staggering increase in national unemployment and the critical increases in certain regions of this country as revealed in statistics released today.

Mr. Speaker: Order. The hon. member for Nanaimo-Cowichan-The Islands has filed the notice required under Standing Order 26. Since receiving this notice I have given the hon. member's proposal very serious consideration.

It is hardly necessary to remind the House that under the terms of section 5 of Standing Order 26 the Chair is required to have regard to the probability of the matter in question being brought before the House within a reasonable time; in other words, that there be an opportunity for debate within a reasonable time.

I do not think it is possible for me to overlook the fact that we are currently engaged in a budget debate. The wide-ranging discussion which characterizes this debate normally provides an opportunity for discussion by hon. members of problems which are of national concern. Indeed, many of the speeches delivered in the course of the debate which started on Monday of this week have dealt with the continuing problem of unemployment. This continuing debate will, of course, provide the opportunity for debate contemplated by section 5 of Standing Order 26. In the circumstances I would not think the Chair could justifiably put the hon. member's motion to the House at this time.

ROUTINE PROCEEDINGS

PRIVILEGE

MR. DIEFENBAKER—INTERPRETATION PLACED ON CERTAIN WORDS BY MINISTER OF FINANCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege arising out of an observation made last night by the Minister of Finance on a national television network, an interpretation that was false in every particular.

Yesterday I asked for the production of certain figures, as I had over and over again. These figures involved criticisms of the government's white paper on tax reform. The minister wanted to send over to me what he said were coupons. In reply to that observation—and these were my words—I said that I wanted the numbers, and that there should be no specialized count by the government of what it wished to produce in answer to my question. The minister proceeded to interpret my views in a way that indicated—and I am not going to place it on *Hansard*—the level at which most of his thinking is done.

ORAL QUESTION PERIOD

LABOUR CONDITIONS

GOVERNMENT ACTION TO COPE WITH INCREASED UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that the latest unemployment figures now indicate a rate exceeding 6 per cent for the nation and as high as 11 per cent for the Atlantic provinces, which I believe are the highest over-all figures in some six years, I should like to ask the Prime Minister whether his government is now considering some selective measures to expand employment, as is now being done in the United States?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member should know that we have many types of measures to expand employment and to release from the over-all anti-inflationary fight of the government those areas where unemployment is high. The federal government is putting hundreds of millions of dollars through the regional economic expansion programs in precisely those areas which have to be helped.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. It is pretty clear that the effects of the negative policies of the government in those areas are far exceeding any benefit from any positive policies. With regard to the country as a whole, I should like to ask the Prime Minister whether it is the intention to pursue a policy of increasing unemployment, particularly in view of these figures and in view of the prediction made by the Minister of Finance in his budget that unemployment would increase, by proceeding with the proposed restrictions on consumer credit?

Mr. Trudeau: Is it the intention of the hon. member to stop beating his wife?

Some hon. Members: Oh, oh!

Mr. Stanfield: I have a supplementary question, Mr. Speaker.

An hon. Member: Look, he is joking and smirking.

Mr. Speaker: Order, please.

An hon. Member: Why don't you at least try to act like a Prime Minister?

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, I should like to ask the Prime Minister whether he would now agree that it is the policy of his government to deliberately create unemployment in the course of fighting inflation?

Mr. Trudeau: What does the hon. member think?

Some hon. Members: Oh, oh!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the right hon. Prime Minister. In view of the fact that the construction industry probably has a greater economic multiplier effect than any other industry in the country, is the government giving any consideration to reintroducing the hospital construction grants and vocational training school construction grants and extending the housing program in order to reduce the very serious level of unemployment which has now reached well over half a million?

Mr. Trudeau: Mr. Speaker, some days ago the minister responsible for housing indicated that the budget for housing would be considerably expanded.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that unemployment has now reached 6½ per cent and the cost of living in February had gone up 5 per cent over last year, I should like to ask how much higher the cost of living has to go and how much more unemployment must we have before the government will recognize that its program is not working and reverse it?

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. As unemployment has continued to rise at an accelerated rate despite the government's program which the Prime Minister has mentioned, are he and the government now willing to consider the constructive propositions and proposals put forward by the opposition for increasing employment through constructive measures?

An hon. Member: What are they?

Inquiries of the Ministry

UNEMPLOYMENT INCREASE—USE OF WORKERS FROM OTHER COUNTRIES

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question to the Minister of Manpower and Immigration. In view of the figures that have just been stated regarding unemployment, could he advise the House whether it is still his intention, as in other years, to import and bring into Canada people from offshore countries such as Jamaica, France and Belgium, particularly in view of the difficulties that students are having in finding employment this summer?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, we propose to continue bringing in a relatively small number of labourers from the Caribbean. We do this because the Canadian labour market is not capable of providing for this need at the particular time. I do not regard this movement as one that is taking jobs away from available Canadians. If I did have that view I would not support the program.

Mr. Hales: I have a supplementary question. Would the minister give the unemployed people in Canada the opportunity to fill these jobs?

Mr. MacEachen: Mr. Speaker, as my hon. friend knows, there is a very heavy seasonal demand for labourers in agriculture, especially in Ontario. Every effort will be made this summer, as has been done in the past, to recruit Canadian employees where they are available for these job openings. My hon. friend can be assured of that.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary for the Prime Minister. Does he not now consider—

Mr. Speaker: The hon. member for Oxford.

Mr. Hees: I will be back.

UNEMPLOYMENT INCREASE—SPEEDIER PROCESSING OF INSURANCE CLAIMS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Labour. Would the minister increase his already good efforts to try to persuade the Unemployment Insurance Commission to expedite even more the handling of unemployment insurance claims which is a very serious problem in the industrial areas.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, in the Oshawa area we

have already taken steps in anticipation of the predicted lay-offs due to the model changes. We will do everything possible to reduce the 2 per cent of claims that are not processed as expeditiously as all of us, including the Minister of Labour, would like to see them processed.

UNEMPLOYMENT INCREASE—TRAINING AND RETRAINING OF YOUNG PEOPLE—PAYMENT OF ALLOWANCES

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a supplementary question to the Minister of Manpower and Immigration arising out of the questions on unemployment. In view of the fact that by far the largest group of the unemployed are very young people between the ages of 14 and 19, would the minister inform the House how soon we may expect the changes in the law and regulations affecting training and retraining and the payment of allowances to those persons obtaining retraining so as to remove the three-year waiting period for allowances and the other obstacles to the training and retraining of young people?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I shall not enter into a dispute about the statistics of my hon. friend, although I draw a slightly different interpretation from the unemployment figures than he does. I would say, however, in respect of his question that, as he knows, it is a most fundamental question relating to the distribution of available funds among the work force capable of taking training. At present consultations and research are being carried on with the provinces. We expect advice from the National Advisory Council on Manpower and Immigration. If any change is indicated, we do not feel it would be wise to make a fundamental change until we have had the best possible advice from these two sources. In other words, I do not expect a decision at an early date.

Mr. Lewis: In view of the fact that, if my memory serves me right, some weeks ago the minister indicated that changes in the rules along this line were being contemplated, does the minister's answer now mean that such changes are not being contemplated but that he is waiting for some advice from somebody?

Mr. MacEachen: No, Mr. Speaker. I should like to check that recollection of my hon. friend. We have under very active consideration changing another rule with regard to the manpower training program, namely, the length of time during which a person may take training, and we have made some other changes. But with regard to this very basic change, no decision will be taken at an early date and not until we have the most complete information we can obtain.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Regional Economic Expansion a question. I am sure he must be disappointed that the figures in respect of employment in the Atlantic provinces are lower than they were a year ago. Does he feel that this is due to any failure on his part or rather that it is due to the arrogant and brutal policies pursued by the Prime Minister and the Minister of Finance?

Mr. Speaker: Order. The hon. member for St. John's East.

UNEMPLOYMENT INCREASE—SUGGESTED EMERGENCY PROGRAM FOR QUEBEC AND ATLANTIC PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, this question is for the Minister of Regional Economic Expansion. In view of the fact that the program announced by the minister last week will not take effect in time to meet the current crisis, is the minister prepared to implement a program such as the winter works program to cope with the seriously high rate of unemployment in the province of Quebec and in the Atlantic provinces, which forecasts indicate will be even higher for the month of March?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, even if we were considering something like the winter works program it could not be implemented overnight. As a matter of fact, I believe we can achieve, through our special areas program, at least as much as could be done with the winter works program, and as quickly, and I see no point in seeking another formula at present.

[*English*]

UNEMPLOYMENT INCREASE—ADVANCING OF PUBLIC WORKS PROJECTS IN SASKATCHEWAN

Mr. S. J. Korchinski (Mackenzie): I wish to direct a supplementary question to the Minister of Public Works. About three weeks

ago I asked the minister whether, in view of the fact that housing starts in Saskatchewan have dropped from 420 a year ago to 18 this year, advances have been made in the public works program—

Mr. Speaker: Order, please. I am wondering whether this is a supplementary question. Perhaps the hon. member might continue, but if the question is not a supplementary the Chair would normally give the floor to the hon. member for Shefford.

Mr. Korchinski: If Your Honour will allow me to follow through with the question you will realize that it is very much a supplementary as it is related directly to the unemployment problem. Has the minister a report to make to the House indicating what projects have been advanced, as he indicated would be done, so that the unemployment problem may be solved? Could he also indicate at this time whether, in view of the fact that many people have moved from Saskatchewan to places like Toronto and Edmonton, such cities will fall into a special category?

Mr. Speaker: Order, please. The hon. member's question is perhaps too long, but now that he has asked it the minister might wish to reply briefly. However, I do not think he should make a general statement at this time.

Mr. Korchinski: Mr. Speaker, I am sure the minister is quite prepared to answer.

Mr. Speaker: I have indicated to the minister that he should reply but I have invited him not to make a statement at this time.

Hon. Arthur Laing (Minister of Public Works): We are putting together a number of projects from a number of departments within the government, some of the work being anticipatory. We expect to make an announcement very shortly with regard to work that we can do in Saskatchewan.

Mr. J. Edward Broadbent (Oshawa-Whitby): I have a supplementary question for the Prime Minister. Given the government's monetary and fiscal policies, is the Prime Minister happy with the current rate of unemployment or is he disappointed that it has not risen further?

Mr. Speaker: Order, please. I do not think a question seeking to ascertain the degree of the Prime Minister's happiness or disappointment can be accepted at this time.

An hon. Member: This is his day to sulk.

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question for the Prime Minister. Does he not consider that unemployment has reached such sufficient degree of seriousness that he should treat it with something better than sly smiles and wisecracks, the way he does in this House every day as if he cared nothing for the unemployed people of this country?

Mr. Speaker: Order, please.

UNEMPLOYMENT INCREASE—SUMMER EMPLOYMENT PROGRAM FOR STUDENTS

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question for the Minister of Manpower and Immigration. In view of the unemployment statistics released today and the trouble which will be faced by students in finding summer employment, can the minister assure the House he will be making a statement on motions before the Easter recess regarding student and youth unemployment?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I cannot give an assurance that I will make a statement but I can assure the House we will be getting jobs for students this summer and hope to do as well as last summer.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I notice there are five or six hon. members who are seeking to ask further supplementary questions. I would like to suggest that we might give a few other hon. members an opportunity to ask their questions, following which we will return to this very important and urgent problem. I think that in fairness we should now recognize the hon. member for Shefford.

[*Translation*]

POST OFFICE

MONTREAL POSTAL DISPUTE—STEPS TAKEN BY INQUIRY COMMISSIONER

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, as the Postmaster General and Minister of Communications is not in the House, I shall direct my question to the Prime Minister.

Since the appointment of the commissioner of inquiry to solve the postal dispute in Montreal, does the Prime Minister believe that the action taken by this investigator will lead to an early settlement of this dispute?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): I hope so, Mr. Speaker.

[*English*]

GRAIN

WHEAT—ACREAGE REDUCTION PROGRAM—LEGISLATIVE AUTHORITY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister without Portfolio in charge of the Wheat Board. Is it the intention of the government to introduce legislation in connection with the program of wheat inventory reduction, or is the government intending to limit its authority to the rather meagre and sparse details of the vote appearing in the Supplementary Estimates?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, in connection with the inventory reduction program there will be a number of regulations, both in connection with the item in the estimates referred to by the hon. member and also in connection with the Wheat Board Act.

Mr. Baldwin: I was really referring to legislation. Possibly the minister might refer to that, Mr. Speaker, but I have a supplementary question as well. In view of the very serious allegations which have been made in the other place by a distinguished Saskatchewan fellow citizen of the minister, is it the intention of the minister to make a statement on motions outlining his views as to the legality of the procedure which is being adopted, and in making this statement will he indicate whether he consulted with the other former law professors, who are colleagues in the House, at the time the program was being arranged?

Mr. Lang: Mr. Speaker, of course in connection with any program such as this legal opinions are taken in advance. I do not have any intention of making any statement on motions to rebut what may, for all I know, have been a fairly offhand opinion.

WHEAT—ACREAGE REDUCTION PROGRAM—ISSUANCE OF REGULATIONS AND REFERENCE TO COMMITTEE

Mr. John Burton (Regina East): Mr. Speaker, I have a supplementary question for the Minister without Portfolio. In view of the fact that western farmers must make their decisions now on spring seeding plans, can the minister inform the House if regulations implementing the government's wheat acreage reduction plan will be issued prior to Easter, and will these regulations be referred to the Standing Committee on Agriculture in view of concern about their constitutional validity and the degree of effectiveness of the program?

[Mr. Rondeau.]

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I am not yet sure about the exact time for release of the regulations or the adopting of them. Of course we are trying to bring them forward as soon as possible, and we are very much aware of the importance of having them available as early as we can.

WHEAT—ACREAGE REDUCTION PROGRAM—REPLACEMENT BY ACREAGE PAYMENT

Mr. George Muir (Lisgar): Mr. Speaker, I wish to direct a supplementary question to the Minister without Portfolio. In view of the fact that the DBS farm questionnaire shows that the farmers intend planting 18 million acres of wheat this spring, and thus the apparent failure of the government's wheat acreage reduction program, would the minister consider advising the government to drop the program in favour of an acreage payment in proportion to farm size, in order to make a more equitable distribution of the funds available?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the hon. member has drawn what might be described as a fairly important erroneous conclusion from the DBS estimate. That estimate was based on the conclusions of farmers largely made before the program itself was announced. The DBS figures, however, did show that a very large amount of acreage was apt to move out of wheat into other crops, and the need to hold this acreage out of production rather than allow it to flood other areas of the market has emphasized the importance of the governments' program.

Mr. Muir (Lisgar): A supplementary question, Mr. Speaker. Since the DBS figures indicate that the farmers have already decided to reduce wheat acreage by 26 per cent, on top of the 15 per cent reduction last year—

Mr. Speaker: Order, please. It seems to me the hon. member is entering the field of debate with the minister. If he has a supplementary question, perhaps it could be asked now.

Mr. Muir (Lisgar): Thank you, Mr. Speaker, I was just getting to my question. Would the minister also give consideration to maintaining the present delivery quota system, instead of using the Wheat Board to coerce the farmers into following an unworkable plan of using summerfallow as a basis of wheat delivery?

Mr. Speaker: Order. I believe the hon. member for Regina East had a supplementary question.

WHEAT—ACREAGE REDUCTION PROGRAM—FURTHER ACTION TO STABILIZE FARM INCOME

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct this question to the right hon. Prime Minister. In view of the fact that a considerable portion of the increase in unemployment announced today took place on the Prairies and is due to agricultural conditions, is the government presently considering any further plans to stabilize farm income in addition to the plan announced by the Minister without Portfolio (Mr. Lang)?

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

WHEAT—ACREAGE REDUCTION PROGRAM—AMENDMENT OF CASH ADVANCES LEGISLATION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in view of the fact that farmers must soon decide on their crop planting plans for this year, does the minister intend to introduce legislation to amend the cash advances legislation, which will have to be changed if farmers are going to follow the plan announced by the minister?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the cash advance legislation as it exists will continue to apply, and the eligibility of farmers for cash advances will therefore continue to be based on the wording of that legislation. The cash advance system itself will be continued.

Mr. Korchinski: As a supplementary question, for clarification—

Mr. Speaker: Order, please. I will have to go on to another subject in a moment, but the hon. member for Mackenzie may have a supplementary and then I will recognize the hon. member for Regina-Lake Centre.

Mr. Korchinski: Just for clarification, Mr. Speaker, in view of the fact that the wording of the cash advance legislation relates to the total cultivated acreage rather than summerfallow acreage or other specified acreage, does the minister not feel that that legislation should be amended at this time so that farmers will know whether they qualify for cash advances or not?

Mr. Lang: Mr. Speaker, in fact the cash advance legislation refers to acreage in such a way that it will be possible to operate the legislation in connection with the program, with the delivery opportunities based on the acres specified for that purpose in the permit book.

WHEAT—ACREAGE REDUCTION PROGRAM—COVER CROPS—QUOTA SYSTEM FACTORS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Minister without Portfolio whether the regulations for the wheat acreage reduction program will allow farmers to put in cover crops rather than summerfallow? Further, will the minister advise whether under the new quota system consideration will be given to farmers who reduced their wheat acreage last year, and to farmers who have no wheat carry-over?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, it is our intention to include provision for cover crops within the regulations, allowing a farmer to put in a cover crop after July 15, a cover crop of any type provided he does not harvest it, and still count the land as summerfallow, or to put in a cover crop of oats early in the year provided that crop is turned down or cut prior to July 15.

FEDERAL-PROVINCIAL RELATIONS

STATEMENT REGARDING POSSIBLE ACTION BY QUEBEC

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to ask the Prime Minister whether or not the Minister of Regional Economic Expansion uttered government policy last night, when he went outside his own field and stated that so far as a certain provincial government is concerned that, unless it has an over-all majority, any action by it that is not acceptable to the federal government will be subject to veto, and if the provincial government carries out its threat to act, having taken office and having the support of most of the members in the legislature, there would even be armed intervention on the part of the federal government?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without conceding that this reflects anything that the Minister of Regional Economic Expansion might have said, I might say in reply to part of the question of the right hon. member that this certainly is not a statement of goverment policy. This government has no policy regarding separatism, except that it will not happen.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, can the Prime Minister say that this outrageous doctrine the minister uttered, which actually violates our constitution, will not be carried into effect? This new form of veto announced by the minister, which would change the constitution, is something I have not heard before, and I thank the Prime Minister for saying that the minister was talking through his hat.

Some hon. Members: Oh, oh!

REGIONAL ECONOMIC EXPANSION

SPECIAL AREAS—AGREEMENTS WITH PROVINCES

Mr. Robert Simpson (Churchill): Mr. Speaker, yesterday I directed a question to the Minister of Regional Economic Expansion as to how many provincial governments have concluded agreements with the federal government in relation to the special areas program, and the minister replied that "there are no formal agreements on this." In view of his statement on March 11 that the first of these agreements will be signed with Newfoundland and New Brunswick very shortly, I would like to ask him how many provincial governments have now signed agreements with the federal government on this program?

Hon. Jean Marchand (Minister of Regional Economic Expansion): The answer is exactly the same as yesterday, Mr. Speaker.

ENERGY

ASSISTANCE TO GLACE BAY HEAVY WATER PLANT

Mr. Rod Thomson (Battleford-Kindersley): I should like to direct a question to the Minister of Energy, Mines and Resources, Mr. Speaker. In view of reports that heavy water will be rationed among Canadian atomic energy plants, will the minister say if the government is now prepared to grant assistance to the government of Nova Scotia to finish the Glace Bay heavy water plant?

[Mr. Diefenbaker.]

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, discussions are continuing with the province of Nova Scotia in this regard but there is nothing to announce at the present time.

Mr. Thomson: A supplementary question, Mr. Speaker. Has the minister been able to find out if we can get heavy water from other sources for our atomic energy plants?

Mr. Greene: Mr. Speaker, I think we have been able to acquire some heavy water from other sources to help carry us over the short period, we hope, when we will have a shortfall of heavy water.

SHIPBUILDING

COMPLETION OF ROBERTSON INQUIRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Further to questions that have been asked from time to time about the Robertson inquiry into shipbuilding, can the minister now say when this government, industry-based investigation will be completed?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I shall inquire, Mr. Speaker, and answer this question next time.

Mr. Bell: A supplementary question, Mr. Speaker. When the minister replies will he go as far as he possibly can to indicate the disposition of this report and what the government intends to do, because of the very heavy lay-offs in what little is left of the shipbuilding industry in Canada and the fact that the men are leaving this industry and are leaving the country?

Mr. Speaker: The hon. member is making a suggestion to the minister which he has to assume will be taken under consideration.

[*Translation*]

LABOUR CONDITIONS

UNEMPLOYMENT INCREASE—RELATIONSHIP TO ANTI-INFLATION PROGRAM

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the serious condition of unemployment, I should like to put a question to the Minister of Labour. Perhaps he does not hear me, but I will ask my question any way.

Could the Minister tell us whether he is in favour of increased unemployment as a means to help the Minister of Finance check inflation?

Mr. Speaker: I do not think that the question is acceptable in those terms.

[*English*]

HARBOURS

COME-BY-CHANCE—PROVISION OF DOCKING FACILITIES FOR OIL REFINERY OPERATIONS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. Can the minister say whether a decision has been made on the application from the Newfoundland government for a substantial loan to provide docking facilities at Come-By-Chance?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Not yet, Mr. Speaker.

Mr. Carter: A supplementary question, Mr. Speaker. Can the minister say when a decision will be made on that application?

Mr. Marchand (Langelier): Shortly, Mr. Speaker.

POLLUTION

DETERGENTS—LEGISLATION TO LIMIT USE OF PHOSPHATES

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Has any decision yet been made concerning legislation to limit the use of phosphates in detergents in Canada?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the manner in which we will legislate to achieve this end which I have announced has not yet been determined, whether it will be a separate bill or an amendment to the Canada water bill, but we hope to have a decision on this question very shortly.

Mr. Aiken: A supplementary question, Mr. Speaker. Could the minister make an announcement concerning this matter so that the committee on resources will not be involved in an exercise in futility, if an amendment is not to be made to the Canada Water Act?

PROCEDURE AND ORGANIZATION

CONVENING OF COMMITTEE—SUBJECTS FOR DISCUSSION

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would address my question to the President of the Privy Council in his capacity as Government House Leader. Would the minister make arrangements to convene the Committee on Procedure and Organization just as soon as possible? With your permission, Mr. Speaker, it is necessary to explain the matter briefly to the minister because the estimates are before most of the committees for discussion and some uniformity is required as to the procedure. Attempts have been made in some committees, and I speak from personal knowledge, to prevent opposition members making any statements whatsoever in the discussion of estimates.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should like to point out to the hon. member that the Procedure and Organization Committee held its organizational meeting yesterday and apparently discussed its plans for the balance of the session. I would remind the hon. member that I suggested yesterday to the House that it should make a general reference of the question of procedures to the committee so that it could carry on with this study but that his colleagues refused.

OIL

STRAIT OF GEORGIA—ISSUANCE OF DRILLING PERMITS

Mr. Thomas S. Barnett (Comox-Alberni): My question is addressed to the Minister of Energy, Mines and Resources, Mr. Speaker, and I hope we can get a definitive answer to a question raised this morning in the Standing Committee on Fisheries and Forestry. Have permits for oil drilling in Georgia Strait been issued by the federal government or, to his knowledge, has the government of the province of British Columbia taken any action in this connection?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, they certainly have not been issued by the federal government or my department, which would be responsible. To the best of my knowledge there have been no provincial permits issued, although I could not speak authoritatively on this subject.

[*Translation*]

EXTERNAL AFFAIRS

NIAMEY CONFERENCE—FOUNDING OF FRENCH-SPEAKING CULTURAL AGENCY

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a question for the Prime Minister.

Inquiries of the Ministry

Since conflicting accounts are reaching us from Niamey and since the Prime Minister is certainly informed by the representative of the Canadian government, could he tell the House whether information he has received allows him to guarantee that a cultural agency will be formed at the end of the conference in Niamey?

Right Hon. P. E. Trudeau (Prime Minister): Obviously, I cannot give this guarantee, Mr. Speaker. The issue depends on the discussions that are going on over there. Canada's position is quite simple. I hope hon. members of the opposition will support it and will agree that only Canada, a sovereign state, can participate as a member in international conferences.

Mr. Asselin: Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

Can he tell the House whether it is true that Canada has categorically turned down the French proposal, which would mean that she would not participate in the cultural agency that would be established?

Mr. Trudeau: Mr. Speaker, I am not sure if I can answer this question without knowing exactly which French proposal is being referred to. Several have been made. Indeed, amendments and subamendments have been proposed. We would have to know which one the hon. member has in mind.

[*English*]

CRIMINAL CODE

APPROVED BREATHALYZER CONTAINER

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct a question to the Minister of Justice. Will his quest for an approved container under the breathalyzer section of the Criminal Code soon be over?

Hon. John N. Turner (Minister of Justice): We are still looking, Mr. Speaker.

LABOUR CONDITIONS

TORONTO—CLOSING OF DUNLOP PLANT—CO-OPERATION WITH PROVINCE IN FINDING ALTERNATIVE

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the discussion that the minister had last Thursday with officials of the trade union from Dunlop Tire and his subsequent telegram to the Dunlop Company on Friday morning requesting company officials to enter into discussion with provincial and federal counterparts to determine whether the plant should remain open, I wonder if the minister has received an answer to that telegram and, if not, what further steps is he planning to take?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The telegram which I sent, Mr. Speaker, was directed to the Minister of Trade and Development and the Minister of Labour of the government of Ontario indicating to them the representations I had received from the union officials and offering the co-operation of federal officials if, in the exercise of their jurisdiction, they decided a feasibility study or a study of the economics of the plant was justified at this point. To date, I have not received a reply.

Mr. J. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. In his discussions with the provincial ministers is the minister making the suggestion or raising the question of the desirability of having legislation at either the provincial or federal level which would make it compulsory for companies to show economic justification to employees for the closing down of a firm?

Mr. MacEachen: My communications did not cover that point, Mr. Speaker.

REGIONAL ECONOMIC EXPANSION

SPECIAL AREAS—DISTRIBUTION OF FUNDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Can the minister assure the House that the old pork barrel system will not be used in designating funds—

An hon. Member: Newfoundland.

Mr. McGrath: We know all about it in Newfoundland; we have a Liberal government there.

An hon. Member: Good point.

Mr. McGrath: Can the minister assure the House that the old pork barrel system will not be used in designating funds under the minister's special areas program—

Mr. Speaker: Order, please. The hon. member realizes that a question cannot be asked in those terms. Perhaps it might be rephrased.

Mr. McGrath: Mr. Speaker, it was an extreme provocation, Your Honour must admit. According to the announcement made by the Premier of Newfoundland, as found in the current issue of *Maclean's* magazine, $14 million of the $20 million designated for Newfoundland under the special areas program is to be spent in the riding of the Minister of Transport.

Some hon. Members: Oh, oh!

Mr. McGrath: I want to get an assurance from the minister, Mr. Speaker, that moneys spent under this program will not be spent under the old barrel system of political patronage.

Mr. Speaker: Order, please. I am sorry but the question, even as rephrased, cannot be put. I am sure the hon. member realizes that.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The minister wishes to rise on a point of order.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I only want to tell the hon. member that 75 per cent of the special areas are represented by Progressive Conservative members.

[*English*]

Mr. Speaker: Order, please. That is not a point of order. The hon. member for York South.

Some hon. Members: Oh, oh!

Mr. Peters: Does that mean they are not considered?

Mr. Speaker: May we have order? Will the hon. member kindly resume his seat. I have ruled there is no point of order. The Chair has recognized the hon. member for York South. The Leader of the Opposition is seeking the floor. He will be recognized after the hon. member's question has been asked.

EXTERNAL AFFAIRS

LAOS AND CAMBODIA—REPRESENTATIONS TO UNITED STATES RESPECTING DEVELOPMENTS

Mr. David Lewis (York South): If I may change the subject, Mr. Speaker, I will direct a question to the Secretary of State for External Affairs. In view of the very dangerous developments in Laos and Cambodia, is the government considering making representations to the United States government to avoid making Laos and Cambodia into another Viet Nam?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think it is appropriate under these circumstances that Canada should support any international efforts in this direction. This we are prepared to do.

Mr. Lewis: A supplementary question, Mr. Speaker. Has the government asked its representative in the area on the International Control Commission, who I understand would now be our person at Saigon, to keep careful watch over developments and to advise the government as to steps that may be taken to avoid a further escalation of the war in Indo-China?

Mr. Sharp: Mr. Speaker, it is exactly in this kind of endeavour that we have been frustrated. If we had been allowed to operate as the International Control Commission was intended, it would have been possible to report violation of the ceasefire long since. We have been prevented largely because we cannot get the co-operation of the other members of the commission and partly because we have not been allowed access into the areas controlled by the Pathet Lao, for example.

CANADIAN SOVEREIGNTY

ARCTIC WATERS—RECOGNITION BY UNITED STATES

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Secretary of State for External Affairs. In view of the recent United States announcement that 60 per cent of the coastguard budget will be used to build a fleet of icebreakers, has the minister been able to ascertain from the United States government whether this means they do not recognize our sovereignty over Arctic waters?

Some hon. Members: Oh, oh!

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

BUSINESS OF THE HOUSE

Mr. Baldwin: May I be permitted, Mr. Speaker, to ask the President of the Privy Council what interesting propositions he has to place before the House between tomorrow and April 6, both inclusive?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. I can indicate with regard to tomorrow that we will be proceeding with the report stage of the bill with respect to supplementary pension benefits, government order 81. The business for next Monday and Wednesday will be announced, depending on progress on that particular matter. As already indicated, Tuesday will be the final allotted day of the period.

Mr. Baldwin: Will the minister consider using his considerable influence, about which he is so modest, with his colleagues on the Standing Committee on Procedure and Organization to use the estimates of the House which are before that committee as a means of securing a full and adequate discussion of those procedures of this House which have been the subject of discussion and need some examination?

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to me that the more orderly way of proceeding, particularly in relation to a committee dealing with the Standing Orders, would be by way of a general reference from the House of the kind I suggested yesterday and which I hope the hon. member might be prepared to accept.

Mr. Baldwin: Will the Government House Leader consider discussing with his fellow House Leaders the terms of reference of such a motion?

Mr. Macdonald (Rosedale): Perhaps I could draw the hon. member's attention to the suggestion I made yesterday. I will be glad to have his comments on the terms of reference set out there.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, anything like that ought to be put before us in writing.

Mr. Macdonald (Rosedale): It is already before the House in writing, Mr. Speaker. I should point out to the hon. member that *Hansard* is printed these days.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Wednesday, March 18, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that this House approves in general the budgetary policy of the government and the amendment thereto of Mr. Lambert (Edmonton West) (page 5051).

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, there is one particular subject I want to strongly emphasize in this budget debate. Parliament, and indeed all Canadians, should take note of the attack being made today on a very important segment of the Canadian science community.

At Rolphton, Ontario, there is a nuclear power demonstration plant which was built by General Electric for Ontario Hydro. Advice on this project was received from Atomic Energy of Canada Limited. Some very damaging remarks are being made today in certain parts of Canada with regard to nuclear power stations and these are reflecting on our science community. Canadians should be proud of the achievements of the people in our Canadian science community, particularly in the nuclear field. I refer to Atomic Energy of Canada Limited. The professionals of Atomic Energy have contributed greatly to the installation of nuclear power stations which will produce hydro power in Canada. They have schools to train their technical people.

The science community of Canada has come a long way. What concerns me is that if this propaganda and these attacks continue against the technical and professional people of Atomic Energy and other segments of our science community, it is going to hurt our image abroad. These attacks are undeserving and should not be directed toward this responsible group. From time to time during the last five years this plant at Rolphton has in fact been producing electric power for the town of Deep River.

I now wish to deal with the subject of housing. I wish to congratulate the Minister without Portfolio (Mr. Andras) in charge of housing for the provisions he has made for the people in the low income brackets of this country, namely those earning less than $8,000 a year, who qualify for CMHC loans. Those people in Canada wishing to purchase a home are told to obtain a mortgage under the National Housing Act from their bank or an approved lender of their choice, and that CMHC will be pleased to consider it for insurance upon submission to it by the lender. I have received representations from people in my area. I am sure other hon. members have also received these representations. The

lending institutions are not providing funds for those people in the salary bracket over $8,000 a year.

Mr. Speaker: Order. I regret I have to inform the hon. member that his time has expired, unless there is unanimous agreement that he may continue.

There is no such agreement.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to make some comments on the course of this debate, some observations upon the minister's budget.

I should like to begin by dealing with the impression the minister tried so hard to give that there were no tax increases in the budget. This is a false impression, because when inflation takes place and money incomes increase, it means that many Canadians will not only be paying higher taxes, but paying a higher rate of tax—having got into another tax bracket—notwithstanding the fact that in real terms their incomes may even have declined. Others will find that the value of the exemptions has been still further eroded. Again, Canadians who in the past have been considered not sufficiently well-to-do to pay income taxes, will find themselves paying tax as a result of inflation, as a result of an increase in their cash incomes, though they may well have suffered a reduction in terms of real income.

It is nonsense for the Minister of Finance (Mr. Benson) to pretend there is no increase in the rate of tax projected for the next fiscal year. It is nonsense in the light of the fact that for the next fiscal year he has predicted an unpredictable increase in the cost of living—an unpredicted decrease in the value of the dollar. The minister may have made no change in the former rates of tax, many Canadians will find themselves subjected to increased rates of taxation, even though they may have enjoyed no increase whatsoever in their real incomes. This might be called: How to raise income tax rates without even trying.

Some hon. Members: Hear, hear.

Mr. Stanfield: The minister did not forecast the degree of inflation expected to take place in 1970. He hopes it will be less than in 1969 when it was something over 4½ per cent. The figures we have seen so far this year indicate a substantial increase in the cost of living during the current year. When the minister presented his budget in the spring of 1969 I believe he forecast a rate of price increase of about 3½ per cent. Of course, he turned out to be very wide of the mark.

There is a long tradition of bad estimating, bad prediction, on the part of this government. About the time I entered this House I recall the former Minister of Finance, now the Secretary of State for External Affairs (Mr. Sharp) predicting in the budget for 1968-69 that the increase in government expenditure would be held to 4½ per cent. In fact, the increase turned out to be more than twice that amount. Then, during the financial crisis of February and March, 1968, which some people will remember, we were given a firm assurance by the present Minister of Finance, at that time President of the Treasury Board, expressed in the following terms as reported in *Hansard* of February 13, 1968:

> Mr. Speaker, I should like to guarantee to the House that after the supplementary estimates are introduced during the year, and the year has ended, with the normal lapses which always occur, we will hit our $10.3 billion ceiling and will balance the budget this year.

Later, following the election campaign, in October of 1968, the minister said, after some introductory words which I do not need to quote, "This will leave a substantial deficit of $730 million." He was referring to the same year. It may be that following the tradition of his predecessor the hon. gentleman proved himself a sufficiently bad forecaster to be appointed minister of finance.

This year, after such a record, the minister is not making any predictions about the amount of the increase in the cost of living. He seems to have given up predicting. Quite frankly, Mr. Speaker, there are a good many of us who would like to see him give up being a minister. Let me say this: it is nonsense for the minister to try to pretend there is no increase in the rate of personal income tax in Canada this year. In fact, there will be a substantial increase, the amount depending upon the degree of inflation which takes place.

All this follows substantial increases in recent years—substantial but sneaky increases in taxation in 1967, 1968 and 1969. Of course, in the budget presented in the spring of 1968 a surtax of 3 per cent was imposed on both personal and corporate incomes. Last year, in the fall budget of 1968, the minister imposed an additional 2 per cent social development tax, limited to a total maximum—

Mr. Benson: No.

Mr. Stanfield: Mr. Speaker, in 1968 a surtax of 3 per cent was placed upon personal and corporate incomes. In 1969, the minister added a further 2 per cent social development tax. All this was in addition to the substantial increases in personal income tax brought about by continual and serious inflation. So, there have been severe increases in rates of taxation in addition to equally severe increases which have been brought about by inflation. I say these things in order to provide a little background to the budget which the minister has presented.

While he was preparing that budget the Minister of Finance knew perfectly well that the ordinary Canadian taxpayer has been getting a double whammy for the last two or three years. He has been subjected to explicit and overt increases in taxation and he has also been subjected to increases in the rates of taxation, as a consequence of inflation. The minister also knows perfectly well that the value of any exemptions has been substantially eroded. The real value of the $1,000 and $2,000 exemptions, for example, has been very, very substantially eroded as a result of the policies of this government.

• (3:10 p.m.)

With this background of experience and with the outlook that the minister was projecting, one that included a further increase in prices, a further increase in the cost of living and further increases in real taxation, I say that a very reasonable thing for the minister to do would have been to give some tax relief to those on low incomes.

I had suggested that the minister should provide in his budget for tax rebates to those who are below the poverty line as defined by the Economic Council of Canada. I am advised that to provide relief simply to them, that to take those taxpayers off the tax rolls, would cost some $85 million a year. I am not talking at the moment about changing exemptions or about what would be involved in changing exemptions; I am simply talking about providing a tax rebate or a tax credit for those who are below the poverty line. I am suggesting that the minister should have proposed this as an interim measure pending the adoption of some more far-reaching tax reform.

If the minister were not prepared to go that far, then he should at least have been prepared to go some of the distance. He should have been prepared to do something that would give some relief to the taxpayers at the lower end of the scale. But far from doing this, the budget that the minister has presented, in the context that he has projected—the context of higher prices—really envisages not relief for the low income earners or receivers but higher rates of taxation than those that existed in the past.

Then, there is the situation of the aged, which is well known. The adjustments provided are limited to approximately 2 per cent per annum of the basic pension of $75 a month. We all know that the cost of living has risen substantially more than this 2 per cent of $75 in each of the last several years, and there is no need to elaborate on this point. Here again, the budget of the Minister of Finance increases the burden placed on many of these people. But above all, the government has absolutely refused to make any change that would permit the GIS to be adjusted, at least in accordance with the cost of living rate.

A few weeks ago, in response to a question, the minister of health stated he had told the provinces that if they were prepared to supplement the old age security payments of the government of Canada, then the government of Canada would bear 50 per cent of this cost under the Canada Assistance Act. Any member of this government ought to know what chance there would be of this being done in the less well-to-do provinces, particularly in those provinces that are struggling to join the federal government's medicare program. This is a very unfair proposal, a proposal that I would say could hardly be put forward seriously, and one which was obviously beyond the reach of a good many provinces to accept. So much for the just society.

I suppose the minister justifies all this as being necessary in the fight against inflation. I suppose the minister will say that there is no group in society that has more to gain as a result of the government's bringing inflation under control; that there is no group in society that has more to gain by seeing inflation is limited; that there is no group hurt more by inflation. It is true that there is probably no group in society that is being hurt more by inflation. There is probably no group in society less able to protect itself against the rigours of inflation.

I would ask the Minister of Finance and the Acting Prime Minister (Mr. Sharp), why it is necessary in this country of ours, of which we are so proud, to ask these older people to bear such a disproportionate burden, such a disproportionate share of the real, actual cost of fighting inflation in this country. I say there is

no justification for this burden. This government, like the laissez-faire Liberals of the 19th century who objected to factory legislation that was designed to limit hours and conditions of work in the factories on the ground that this interfered with the workings of the unseen hand, these so-called middle 20th century Liberals, also object to doing something to take a little of the load off the backs of the elderly people on the ground that do to do so would interfere with the government's fight against inflation. What poppycock, Mr. Speaker!

I say that it is not necessary for the aged to suffer. I do not think the older people, or any of the rest of us, have to accept the "guff" that it is necessary for the elderly to suffer in the best interests of the country. This situation is not good enough. I should like to hear the Minister of Finance explain why it is necessary for these older people to bear this burden; why it is necessary for them to bear the brunt of this in the interests of fighting inflation. I hope that the minister will explain this not only to my satisfaction but to the satisfaction of the people of this country.

I have something harsh to say now, Mr. Speaker, but there are times when harsh things should be said. I do not want to direct my comments solely to the Minister of Finance; they have to be directed to, and accepted by, the whole government. I say this government is tramping on the faces of the poor and helpless of this country today. Look at what they are doing. Look at what they have done. How has the government fought inflation, apart from the ineffectual action they have taken, judging from the 1969 figures and the latest 1970 figures? What methods have they employed?

Traditionally they have fought inflation by raising taxes, particularly income tax. This, of course, has encouraged Canadians who pay these higher taxes to push for higher salaries or wages in the hope of being able to offset these higher income taxes that they have had to pay. Income taxes have been put up not over a period of just one year or two years, but each year that we have had inflation.

• (3:20 p.m.)

What is the other method that the government has been using to fight inflation? They are great people for putting some slack in the economy. The former Minister of Finance, the present Secretary of State for External Affairs (Mr. Sharp), said in the fall of 1967 that this government was prepared to put some slack in the economy if this were necessary to fight inflation. Since then, this has become almost a fetish with the government. It has become virtually a theme with the Prime Minister (Mr. Trudeau). He said a while back that he was prepared to accept an unemployment rate of 6 per cent. That is exactly what he has got today, the highest rate in six years. I heard the Prime Minister say it is unfair to accuse this government of deliberately creating unemployment to fight inflation. What is unfair about it? What could be a more exact description of what the government is doing? If one follows a policy of slowing down the economy, it is inevitable that this will create unemployment, and one must accept the consequences of one's actions and intentions. This is certainly a deliberate intention.

We now come to the budget of the Minister of Finance. Is it not fair to say that the main thrust of his budget was to create more unemployment? I read the darn thing and I listened to him. I was trying to figure out why he presented such a budget at all. The only reason I could ascertain was that he was trying to convince the country he was going to create more unemployment and explain how he was going to do it. Otherwise he should have just filed some tables and let it go at that. He has done this although there is no excessive demand. I do not think there is anybody, including the Minister of Finance, who really argues that inflation in Canada is the result of excessive demand. The Economic Council of Canada pointed this out last summer, and that council received a severe attack from the Minister of Finance for making that statement. I think since then the Minister of Finance has pretty well had to agree that inflation is, in fact, not the result of excessive demand. I do not believe the Minister really pretends that it is.

The white paper—not the infamous white paper on taxation—of 1968 on the subject of inflation pointed out that the methods which had been pursued by the former Minister of Finance, and up to that point by the present Minister of Finance, were not satisfactory. That white paper recommended the appointment of a prices and incomes commission to advise the government as to how to fight inflation. Many times since that commission was established the government has pretended that the commission is really responsible for leading the fight against inflation in Canada. This has been the pretense and the

refuge of the government practically every time anyone has asked the government a question.

The Prices and Incomes Commission, particularly the chairman, has been very concerned about the amount of unemployment that would be created, and the length of time it would take to bring inflation under control, if the country simply followed the methods that were being pursued by the Minister of Finance to avoid this situation. It was to avoid the creation of unnecessary unemployment that Dr. Young recommended an attempt to effect an agreement on the voluntary restraint program. It was precisely for that reason he made this recommendation, and he made that very clear. I suggest that Dr. Young's point of view has obviously never been accepted by the Minister of Finance. This kind of guideline of restraint approach was rejected by the Secretary of State for External Affairs (Mr. Sharp) in 1967 when he was the Minister of Finance. It has been pooh-poohed a number of times by the Minister of Finance in the intervening years.

The Minister of Finance buried the program or pronounced the funeral oration last fall when he said it would fail, even before the Prices and Incomes Commission had launched it. As I understand it, the purpose of this measure proposed by the Prices and Incomes Commission was to avoid the creation of further unemployment in the fight against inflation. This commission has gone to a lot of trouble and Canadians in business, as well as labour leaders, have also gone to a lot of trouble to try to formulate an approach and program to avoid the deliberate creation of more unemployment. It is very clear that the Minister of Finance is making the efforts of the Prices and Incomes Commission abortive, while at the same time saying that his program is supporting the recommendations of that commission.

It is obvious that the department and the Minister of Finance on the one hand, and the Department of Consumer and Corporate Affairs and the Prices and Incomes Commission on the other hand are pursuing different objectives. I assume that however little faith the Minister of Finance may have in the efforts of the Prices and Incomes Commission, Dr. Young and his colleagues have the support of the Minister of Consumer and Corporate Affairs. It is pretty clear that there would be a serious split in the ranks of the government on this issue if they really understood what is going on and if they were not so preoccupied with some of the antics of the Postmaster General (Mr. Kierans).

Some hon. Members: Hear, hear.

Mr. Stanfield: Today we see alarming figures in relation to unemployment in the country. We know that in the United States, which has also been wrestling with the problem of inflation and is concerned about mounting unemployment, the authorities are starting to make moves designed to offset rising unemployment. Rather than making plans to inject more slack in the economy, the responsible authorities in the United States are considering something else.

I thought it was perfectly natural this afternoon, in light of these figures, to ask the Prime Minister a perfectly polite and reasonable question as to whether the Government of Canada was considering alternate measures under similar circumstances. What did I get for my pains? The right hon. Prime Minister's answer, which I hope does not reflect his attitude toward this problem—

An hon. Member: It does.

Mr. Stanfield: In view of the budget of the Minister of Finance and his announced intention to create more unemployment, certainly the attitude expressed by the Prime Minister here this afternoon is anything but cheerful news for the thousands and thousands of poor Canadians who are going to be unemployed because of the policies of this government.

An hon. Member: He will be eating some of that white paper.

Mr. Hees: They have a good job until the next election.

Mr. Stanfield: Let us consider the poor Minister of Regional Economic Expansion (Mr. Marchand). I am beginning to feel sorry for him. He is not here but he has been busy, he says, fighting regional economic disparity while his colleague the Minister of Finance and others have been busy increasing regional economic disparity.

The Minister of Finance may refer to his efforts to avoid this kind of problem by selective measures regarding government buildings in some areas of rapid growth. Some areas and cities, for example, Sault Ste. Marie, do not regard themselves as contributing to inflation. In any event, I do not think there is any evidence that the approach by this minister has been at all effective, and it

is probably only his stubbornness that accounts for him continuing it for another year. In any event, there can be no doubt about this. The minister's policy of being selective in respect of the economy and his belief in the necessity for increasing unemployment, have surely been effective in the areas of slow growth. These policies have surely been effective in those areas, as these figures we have seen today testify. These are the areas which are most in need of encouragement and they are the areas where the economy is most sensitive to discouragement.

• (3:30 p.m.)

I say that anything positive that has been done by the Minister of Regional Economic Expansion in these areas of slow growth has been not only overshadowed but exceeded by this inconclusive program of the Minister of Finance. It is not merely that the unemployment figures on the Prairies are higher than they were a year ago, but that the actual figures for employment are lower. It is not merely that the unemployment figures in the Atlantic provinces are higher than they were a year ago, but that the actual employment figure is down. This indicates very clearly and very statistically that the Minister of Finance has been more effective in creating unemployment in those areas than the Minister of Regional Economic Expansion has been in creating employment in those areas.

Here again, we have an example of two ministers working at cross-purposes to one another. I did not realize that the Minister of Finance was such a hard guy to get along with. I knew he fought with us, but I did not know he fought with everybody else in the government. Here he is pushing a policy which is at loggerheads with the policy of the Minister of Consumer and Corporate Affairs (Mr. Basford) and at the same time is making it impossible for the Minister of Regional Economic Expansion to discharge his responsibility. The result is that, instead of reducing economic disparity the two ministers together have somehow succeeded in increasing economic disparity in Canada. Now, the Minister of Finance is not proposing just to allow this particular process to continue to increase economic disparity at the present rate; he is not satisfied to go along with more of the same. He wants to increase the pressure on the economy of the country.

Not only is the minister apparently not considering what the United States has been considering for a long time, not only is he not considering simply leaving things the way they are and letting the Prices and Incomes Commission try to work things out in the existing context for the time being, but rather he has to create more unemployment. Surely with the figures we have in respect of unemployment, not just in the areas of slow growth but across the country, it would have been reasonable for the Minister of Finance to at least have held his hand and said we will wait for a while and see what Dr. Young can do. Yet, the government is deliberately tightening the screws further, is deliberately putting more slack in the economy as well as deliberately creating more unemployment. Surely, this is sadistic. I think actually the white paper itself would be sufficient to slow down the economy if Canadians and others really believed it would be adopted or if it were bulled through and adopted.

The Prime Minister and the Minister of Finance say they are tough. They say they will stand up to pressure. I say not only are they tough but they are stubborn and cold-hearted. I do not want to pick particularly on the Minister of Finance. I say the government is cruel to extract more income taxes from the poor at this time. I say that the government is cruel in treating the aged in this way when they are in need of relief at this time. I say the government is cruel in creating more unemployment at this time.

The government is pursuing a course in respect of the poor, particularly the aged, and the unemployed which would be unthinkable under any other democratic government in the world today. That is the state we have reached. Surely, this is not a just society. It is certainly a slack society in a sense. Surely, at least in the light of the information we now have, the minister will stand up in the House and tell us he does not intend to tighten the screws further. Surely, in the light of these figures, he will not tell us he intends to pursue the program to restrict consumer credit.

I think the minister ought to tell us what he is going to do to relieve unemployment, particularly in the areas of slow growth. I think he should tell us what he proposes to do with regard to the aged and not just fob it off by referring to something that will happen some time in the future. Surely, in a democracy when people are in difficulty it is important that the government show that it has a little concern, a little soul. This is important for our country. I plead with the Minister of Finance to reverse himself. I plead with him

to consider the plight in which these people are and to consider the plight in which the country is.

Mr. Hyl Chappell (Peel South): Mr. Speaker, the budget speech emphasizes the need to hold back expenditures at all levels to help combat inflation. I wish to take this opportunity to talk about a proposal which, if implemented quickly, would result in a saving or a deferral in spending of up to half a billion dollars. A new waterfront authority for Toronto is needed now so that we do not have to remain stalled in the past but reorganize and move into the future. An immediate restructuring of the Toronto Harbour Commission is essential and would lead to a substantial reduction in federal spending.

We have heard a great deal about the need for two-level or three-level governmental consultation and co-operation but little has been accomplished so far. Here and now, in Toronto, we have an excellent opportunity for four-level participation. In January, 1968, the Toronto Harbour Commission came up with a new and bold concept for the harbour and the central waterfront of Toronto. Seldom does a proposal contain opportunities to do so much for a city at so little cost and with so little risk, but it is bogged down by the same old jurisdictional conflict that plagues us so often when we seek solutions to our problems.

This is too important a project to be allowed to smother in confusion. We must take this opportunity to have a pilot project in inter-governmental co-operation and prove it can be done. It is easy to ask why they do not get together and co-operate. That criticism is easy to make and applies equally to international as well as domestic differences. We must find an answer which is acceptable to all. My colleagues the members for York North, Etobicoke and York West have all called for greater co-operation among the various levels of government. The hon. member for Etobicoke (Mr. Gillespie) has suggested a new authority in respect of all airports in the Toronto area. In this case, I shall propose a solution which contains the machinery to encourage and perhaps force co-operation and bring about results.

• (3:40 p.m.)

The bill I introduced on March 6 respecting the port of Toronto would, if passed, overcome the silly political manouvering referred to in the Toronto *Star* editorial today, force the four levels of government to pull together as a unified force, overcome the existing jurisdictional snarl and, above all, assist in the quick implementation of the bold concept which is the Toronto waterfront plan. The plan provides for the rebuilding of the harbour and the construction of a new inter-city airport and a harbour city. Bill C-195 proposes that representatives of the province of Ontario and of metropolitan Toronto be added to the commission so that elected representatives of the four levels of government, along with a respresentative of the Board of Trade, would sit as members on a new Metropolitan Toronto Harbour Commission. The Toronto harbour affects these four levels of government—in truth it affects all Canadians—but at present only the city of Toronto and Ottawa are represented on the commission.

While all agree a restructured authority is necessary to move ahead, it should not be as complex as the one suggested last week by Ontario premier John Robarts. He called for the establishment of a committee with representatives from the province, the Canadian National Railways, the Canadian Pacific Railway, the Canadian National Exhibition, Metropolitan Toronto, the city and the Toronto Harbour Commission. This would substantially bypass the federal government, and I endorse the Toronto *Globe and Mail* editorial of March 17 which warned that with a complexity of this order nothing would ever be accomplished.

I expect that very few of us appreciate the impressive and varied achievements of the Toronto Harbour Commission. It has been a proven success, but there are impelling reasons to update its structure so that it may provide a larger harbour and airport in keeping with the final quarter of the 20th century.

I should like to review the history briefly. A natural harbour was created centuries ago by a sand drift from the Scarborough Bluffs. In 1834, Toronto was incorporated and set up a department to administer the harbour under a harbourmaster. Development was hampered because the railways owned much of the waterfront. In 1852, a major storm caused a break through the sand and created what later became the eastern gap or the ship entrance. The western gap was commenced in 1907. The city recognized the need to develop the harbour, and the federal government considered it wise to do so in the national interest.

In 1911, the Toronto Harbour Commissioner's Act was passed which set up a commission to provide for administration and a con-

ceptual waterfront development plan. On the application of Toronto city, the federal government passed the necessary legislation for their joint venture. The federal authority turned over to the commission the harbour, and all of its ownership including much of the harbour bottom, and the city gave up its docks and water lots. Since then the federal government and the city have been locked together as an economic and transportation unit.

The harbour boundaries were recognized in the act to be the east and west limits of Toronto extended into the lake as far as one mile south of Gibraltar Point, where the lighthouse is located on the island. The federal government contributed by building the western entrance, the ship channel and turning basin between the harbour and Leslie Street, the breakwater along Sunnyside Beach and, for some years, by dredging the eastern channel and harbour. The city supported the commission with substantial cash payments and guarantees for borrowing.

With this help the commissioners built Lake Shore Road, then Fleet Street, Sunnyside Park, part of the islands, a large industrial area in the vicinity of Ashbridges Bay between Cherry and Leslie Streets, the Island airport, at city cost, and later, in preparation for the Seaway, three new terminals. Since 1912 the commission has reclaimed about 1,700 acres of land on which the city now receives approximately $8 million annually in taxes. Many will be surprised to learn that in 1939 the Harbour Commission, as agent for the city, built Malton airport with Toronto and federal financing. All of this was accomplished by a five man group of commissioners, three of whom are appointed by Toronto city council, one by the federal government and the other by the federal government upon the recommendation of the Board of Trade.

In 1958, Toronto gave up the ownership of Malton airport to the Department of Transport in return for a 4,000 foot runway and an interest free loan to build a new hangar at the Island airport. In the last few years there has not been any significant spending by the federal government on the Toronto waterfront. Since the commission constructed the new eastern headland, dredging of the eastern gap has not been necessary. The commission has operated the port from fees and rental income and has, in addition, since 1963 carried the Island airport which has been operated at a loss for many years.

Although the Island airport is extremely busy with substantially more take-offs and landings than Malton has, the operation continues at a loss because of poor access from land and absence of modern landing equipment. It is more than apparent that the land is too valuable for such limited use and for a flying school.

In summary, the Island airport is obsolete. The city requires the land and part of the harbour shore to the north for a giant housing complex. The eastern gap is not deep enough for merchant ship traffic and must be replaced. An outer harbour must be built to meet today's demands and the inner harbour which is now out of date requires rebuilding in part and a transfer of other facilities to the outer harbour.

As I mentioned earlier, the commission in 1968 came up with a most imaginative but realistic plan for the development of the whole central waterfront. It deserves a place in Toronto's future. By an inexpensive method they propose to create these improvements by sucking sand from the shallow waters of the new outer harbour and by combining this dredged material with fill from construction sites to add over 1,000 acres to the waterfront. This new land would add to the Canadian National Exhibition ground, increase the recreation area of the islands, and help provide the site for harbour city to house about 75,000 people. It would make possible the modernization of the inner harbour, and would create a new outer harbour which would provide about 400 acres of dockage and give Toronto a new airport in keeping with today's demands.

These plans, as worked out between the commission and the technical and advisory representatives of the planning departments of the city and the province, have won the acceptance and praise of all who have seen them. Because of the excellence of the engineering, the acre cost is low and the whole scheme seems economically sound. The sand to be dredged from the outer harbour would help create land for the new harbour city, provide access to the new city and the recreation islands, and create the eastern perimeter of the new outer harbour and a new airport.

The eastern headland for the new outer harbour is now between two and three miles in length and is being built at a fraction of the cost of standard construction, partly through the utilization of fill but mainly because of new design which traps the sand and creates gentle beaches or slopes to protect

the new land. This new eastern harbour boundary fulfills a double purpose in that not only does it trap the sand and create beaches but helps to protect and stabilize the shores of the island. The commission has now reached the point where it cannot implement its plans or even see where it is going until the Department of Transport decides to dredge the new eastern entrance and approve the proposed new airport.

In December, 1968, the then minister of transport abandoned the plan for major enlargement at Malton, and since then the department has been trying to find a good site for a second large airport. The decision about the harbour airport need not wait until that decision is made because it would be the city airport and complementary to other airport service.

Originally, the commissioners proposed an airport at the south west side of Toronto Island at Gibraltar Point. There were objections that the flight pattern was too close to the air approaches to Malton. As a result the commission now proposes that the airport be located on the east side of the new outer harbour at the east end of Toronto. They suggest a runway of 7,500 feet with an approach parallel to the shoreline, but over the water, and almost a mile off shore so as not to interfere with housing, and shorter runways for smaller, short take-off planes. I think it is most important for us to recognize that although the Island Airport has substantially more plane movements than Malton has, there have not been any complaints with respect to noise or pollution. Even the small jets using this airport have not caused any complaints. Surely, this is because the planes are smaller, and take-offs and landings are over water.

• (3:50 p.m.)

The suitability of such a location has already been demonstrated. Fear of large planes has caused objection, but certainly it is practical if it is limited to aircraft which will not exceed a noise level compatible with residential use a mile away. The travel time to Malton Airport, now almost as long as a flight to Ottawa or Montreal, will not shorten in the near future, but can only get longer. It is inconceivable that advantage should not be taken of this location, and without delay, for an intercity airport. Because it is a short-range airport, freight would remain with the trucking lines and the Malton Airport.

[Mr. Chappell.]

Toronto, or more properly Ontario, will require a second major airport but if the lakeport is developed now, the second major port could be delayed. After all, we are talking of perhaps a half billion dollars. A little delay would give us an opportunity to develop a rapid transit system which would make it feasible to locate it further out and as part of an over-all regional or provincial development, and on land not required for Metro expansion. A large new airport should not just be located because the land happens to be available.

Consideration must be given to planned regional or provincial development including housing, services and highways, and perhaps also one or more satellite cities along a new rapid transit route which would be generated by the airport itself. The harbour airport would be relatively inexpensive. Four hundred and fifty acres instead of thousands of acres would be sufficient, and could be assembled from reclaiming sand and the utilization of fill at an estimated cost of not more than $25 million. A regular land-based airport would cost many times as much.

It would service the Toronto-Ottawa-Montreal passengers who make up perhaps 40 per cent of the Malton traffic. It would be flying transit or Go-Air. The majority of passengers travel less than 450 miles, with most around 250 miles. This would cover Toronto-Ottawa-Montreal and perhaps later Toronto-New York. It would relieve the traffic at Malton and thus allow that airport to become a transcontinental and intercontinental airport, which would satisfy demands for several years, at a tremendous saving to the federal government. It would relieve multiplication of flights at Malton where the planes take off and land over densely populated areas, and thus prevent the impairment of the quality of housing.

If we count the economy of time for the public, and the efficiency of the business people travelling the Toronto-Ottawa-Montreal triangle, billions of dollars would be saved. The travelling time from a downtown hotel would be perhaps seven minutes. By use of computers at various locations in the city, all tied to a master computer, people could board airport buses at these locations and step from the buses with their baggage directly to the plane. By checking in at city locations and taking a bus or rapid transit to the plane, we could use existing on-shore facilities and thus avoid the customary delays found at an airport, and the cost of substantial off-shore building. It is too late to

introduce this innovation at Malton, but there is no reason why it could not work for the new airport in the lake.

The U.S. Federal Aviation Report and other similar studies seem to verify that if deemed adviseable in future, a floating runway which would be further out in the lake could be tied to the first runway. This would only happen if technological improvements in noise and pollution control made it reasonable. Needless to say, such an airport would be of tremendous advantage to the Toronto business community and add to the desirability of Toronto as a convention centre. Cleveland has already demonstrated the advantages of a second downtown airport.

The whole development would provide Toronto with a new assessment of perhaps $2 billion. All of this is being held up by the jungle of jurisdiction. Although by the 1911 act the Commission became the owner of much of the harbour bottom, the federal-provincial agreement in 1960 muddied the waters to the extent that it is difficult now to say who owns the water lots to the west of the western channel, which is about south of Bathurst Street.

The plan was some years in conception and development but this will appear like a glimpse of time before we move to achievement unless the nightmare of jurisdictional conflict is solved. The Ontario government has commenced construction of Ontario Place on some of the land where the ownership is not clear, and has recently announced an intention to build Harbour City. Ownership or claims to ownership of the land upon which Harbour City is to be built lie with five authorities, the province of Ontario, the city of Toronto, Metropolitan Toronto, the federal government and the Toronto Harbour Commission. Right now the commission cannot go ahead with Harbour City until the federal government agrees to dredge a new eastern channel, and it cannot proceed with the land fill operations for the outer harbour and the new airport until the airport is approved.

The Department of Transport has a special group looking for a second major airport site and another group studying over-all aviation needs, but there does not seem to be sufficient attention to this problem, namely, the development of the Toronto waterfront. In comparing federal expenditure on the Toronto waterfront during the last five years with its expenditure in Montreal and Halifax we see that Toronto has received very little.

Recently the press reported an outcry against the possibility of planes flying over the eastern beaches, but I noted in a press clipping of December 16, 1969, that the De Havilland Company demonstrated that their new inter-city plane creates very little noise and pollution compared with present jets. I understand it is completely feasible to use the smaller and quieter 48 seat planes which will be ready by 1972.

The Harbour Commission has authority to expropriate and could perhaps proceed on its own, but on the other hand its record has always been one of co-operation and consideration for the needs of the community as a whole. In any event, however, it would still have to be financed by and be responsible to the four levels of government, and finally to the people. Again, according to the press, the major parties have been exchanging views, but will they reach a solution, and that soon enough, unless there is some definite and obvious approach?

In 1911, on the petition of the City of Toronto, the federal government legislated a joint venture between them which has worked amazingly well for almost 60 years. The Toronto Harbour Commission was the pattern for other commission ports. Now, it can be up-dated as a pattern for tri-level governmental endeavours. Metro Toronto and Ontario are, of course, equally interested.

The solution can be found in the three simple amendments to the Harbour Commissioners Act, contained in the bill which I introduced on March 6. In short they are:

1. The name of the act could be changed to the Metropolitan Toronto Harbour Commissioners Act or the Metropolitan Toronto Water Front Act.

2. Instead of the appointment of five commissioners, three by Toronto, one by the federal government and one on the recommendation of the Board of Trade, section 7 of the act could be amended to provide that one be appointed by the federal government, who should be an elected federal member from Metropolitan Toronto, one by the provincial government who should be an elected representative to the legislative assembly from Metropolitan Toronto, one of its elected members by Toronto Council, one of its elected members by Metropolitan Council, and one upon the recommendation of the Board of Trade.

3. Section 5 of the act could be amended to provide that the boundaries would be from the east and west limits of Metropolitan

Toronto. They could be extended later further to the west and to the east if deemed advisable. Needless to say, although the new commission would have full responsibility for the development, land created for parks or Harbour City would be turned over to Metro and Toronto. I just cannot imagine the Toronto Harbour Commission, or the province through its appointee, trying to take over and operate such a large part of the city.

(4:00 p.m.)

I can understand some fear on the part of each government involved that they might be creating a monster they could not control but, on the other hand, all would be from Ontario and metropolitan Toronto and they would represent the city, the province and the country as a whole. They would be able to maintain constant liaison between the four levels of government and their technical and planning departments and the business community. They would hear the briefs, and have the power to act, but they would not be able to be unrealistic in that they would still require financing to some extent from the four levels of government and would still be answerable to the electorate. For those who are concerned about a blending of the costs or income of the various divisions of activity the authority, under its by-laws, could divide its jurisdiction into port administration and development.

Finally, I suggest that Toronto once again petition the federal government to have the federal act updated to meet present requirements. The first real step was the act of God which opened the eastern gap; the second was the petition from Toronto which produced the Toronto Harbour Commission Act in 1911. We cannot wait for another act of God, but Toronto could petition again for a change in the act. This single authority would relieve the fears recently expressed by metro chairman, Ab Campbell and Toronto Mayor William Dennison and I am sure gain their full support. I ask that the government adopt Bill C-195 as a government bill and have it referred to committee so that witnesses from the various levels of government concerned may be heard and, finally, the necessary legislation passed.

In conclusion, the purpose for this regional authority being so structured is to bring together in a practical co-ordinated way all the forces of government which operate in a geographic area known as the port of Toronto and to do so with a minimum of bureaucratic redundancy and financial outlay—only all the people would gain.

[Mr. Chappell.]

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this afternoon I sought to introduce a motion under Standing Order 26 to ask the House to consider the staggering unemployment figures released by the Dominion Bureau of Statistics today. His Honour decided that the debate should not be allowed on the ground that the House is now discussing the budget and that this gave ample scope for discussing unemployment or any other question. I was perfectly aware, of course, that the budget debate was in progress. My purpose in introducing the motion under Standing Order 26 was in the hope that we could get the government to answer specific questions with respect to the unemployment situation and to outline what steps it intends to take to deal with it.

We have been debating this budget since last Monday and there have been no statements from any ministers of the Crown, except the Minister of Finance (Mr. Benson) who introduced the budget. We have not heard from the Minister of Labour (Mr. Mackasey) as to what his department is going to do about unemployment nor from the Minister of Manpower and Immigration (Mr. MacEachen) as to what changes are to be made in his program to deal with increased unemployment. We have heard nothing at all from the Minister of Regional Economic Expansion (Mr. Marchand), whose responsibility it is to deal with the underdeveloped areas of this country, areas where the figures show that not only has unemployment increased but the number of employed persons has declined. This means that not only have we failed to provide jobs for those entering the labour market, but we have not been able to keep in employment those who were employed a year ago.

Surely, the House and the country is entitled to some statement from these ministers but they have taken no part in the debate, they are not here—even the Minister of Finance is not here. The only minister present is the Secretary of State for External Affairs (Mr. Sharp) who was a former minister of finance. Like Frankenstein, he created the monster that he now sits and watches with misgivings lest it destroy those who created it.

The government cannot just sit and ignore this problem, Mr. Speaker. I think we have the right to insist that before this debate

finishes we get a statement from the Prime Minister, the Minister of Labour, the Minister of Manpower and Immigration or the Minister of Regional Economic Expansion. The government cannot continue to shrug its shoulders and present an attitude of callous indifference to the appalling situation which obtains in Canada today.

The figures just released are something to touch the conscience of every member of this House. We now know the unemployment figure for February, 1970 represents 6½ per cent of our labour force, that is 526,000 persons, up from 473,000 for February, 1969. When you get unemployment well over half a million, the highest unemployment we have had in Canada since 1963, and I think it is safe to say the highest unemployment figure of any industrial country in the world—

An hon. Member: Shame.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I do not know of any other industrial nation in the world that has an unemployment figure even closely approaching 6½ per cent. When we get an unemployment figure of that magnitude we are talking about an economic recession. The tragedy is, Mr. Speaker, that this is a government induced recession. There have been times in the past when recessions have crept up on governments and taken them by surprise. There have been recessions which governments could claim were brought about by world conditions beyond the government's control. But here is a recession which the government has deliberately manipulated and precipitated. Last December, the Prime Minister (Mr. Trudeau) said that the government was prepared, if necessary, to have 6 per cent unemployment—

Mr. Orlikow: He has got it now.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —in order to carry out its anti-inflationary program. As my colleague, the hon. member for York South (Mr. Lewis) said only a few weeks ago in this House, in all probability it would be more than 6 per cent—it would be 6½ per cent. Unfortunately, his prophecy was only too true and that is exactly the figure we have reached.

The Minister of Finance makes no bones about the fact that unemployment is one of the techniques by which the government hopes to stop inflation. In his budget speech he said that he anticipated some increase in unemployment. Then, he made this statement, which ought to be enshrined on his monument. He said:

> We just cannot tell how soon or how far the slowing of growth in demand and in production will bring about a slowing down in price increases.

I say to the Minister of Finance, who I notice has just come in—

An hon. Member: Now, he has just gone out.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In my opinion, this is the most callous statement ever made by a minister of finance. In essence, he says, "I don't know how much longer we will have to tighten the screws, how many more people we will have to throw on the scrap heap, how many more we will have to throw out of jobs or how much more economic slowdown we will have to perpetuate in order to stop price increases."

• (4:10 p.m.)

The Minister of Finance ought to enter this debate and tell the House how much unemployment he thinks it will be necessary to have before he will be satisfied and how long it will take before he comes to the conclusion that economic slowdown and unemployment are not going to stop price increases. If the government is going to persist in this policy, it must tell the House during this debate what it proposes to do about these unemployed people. Is the government prepared to create some employment by massive programs of construction of hospitals and vocational training schools? Both of these programs expire at the end of this month. The government could reintroduce them. The government could set up a housing program.

When I asked the Prime Minister earlier this afternoon about programs to help put the unemployed to work, he said there is extra money in the budget for housing. The Prime Minister knows perfectly well that not only is there not enough money, but that money alone is not the answer. Houses cannot be built unless interest rates decrease and unless funds are available.

Housing starts are falling off. That is because the average young people, unless they have an income in excess of $9,000, have no hope of ever building a house or ever paying for it. Until the government is prepared to present a program with lower interest rates and will make investment funds

available, it is not going to get the kind of construction program that will put the unemployed people back to work.

What does the government propose? It does not propose to do anything except to sit on its dignity. I think it is time we took a moment to look at what these unemployment figures mean. First, let us see what they mean by provinces. I said a little while ago that the unemployment figure was 6½ per cent in Canada. In British Columbia it is 6.7 per cent. On the Prairies unemployment has risen from 3.9 per cent a year ago to 5.3 per cent in February of this year. This is the very area where crop conditions and the inability to sell the farmers' wheat has already caused economic dislocation. Unemployment in this area is at its highest peak in years. The figure in Ontario has risen from 3.9 per cent to 4.5 per cent.

In the province of Quebec the figure has risen from 8.4 per cent to 8.7 per cent. The Prime Minister talks a great deal about combating separatism. I, personally, think that the unemployment figures are much higher than the figures announced today. The fact that 8.7 per cent of the work force in the province of Quebec is unemployed will do more to destroy national unity and to bring about disintegration of Confederation than any other single thing.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The most dangerous thing that can happen in a nation is when any group of people gets to the point where they say, "We have nothing to lose". When a man is walking the streets, out of a job and with no prospect of getting a job, he will listen to any demagogue and any false proposition. If we want to promote national unity and hold this country together as a viable sovereign power, we have to see to it that the people in the less favoured areas of Canada have jobs and an equal opportunity to enjoy a good life.

In the Atlantic provinces in the month of February the unemployment figure was 11 per cent. Two weeks ago I was in Newfoundland where the figure is 13 per cent. I was told that in certain areas of Newfoundland the figure is 20 per cent. How can a spirit of national unity be maintained when certain parts of Canada feel that they are the Cinderellas of Confederation? They are a long way from Ottawa. They wait for some expression of the government's concern. The only expression they have had from the government is the shrugging shoulders of the Prime Minister and the assurance from the Minister of Finance that he will keep on turning the screws until price increases stop.

If this unemployment figure is looked at by age groups, it is more alarming. In the group of young people from 14 to 19 years of age, 13½ per cent of them are out of work. In the group of young people 20 to 24 years of age, the figure is 8.9 per cent; almost 9 per cent. Almost one in ten of these young people are unemployed. These young people have their lives ahead of them. They are the ones who will be responsible for the future of this country. When these young people are unable to find employment, we are storing up a great deal of trouble for ourselves. Of the more elderly people aged 55 to 64, 6.2 per cent of that group is unemployed. Unless these people get back to work, they will be unemployable. Not many of them in that age bracket will be able to get a new job. These people are likely to finish out their days on welfare.

It is interesting to note that the length of time that people are unemployed is increasing steadily. I refer to a question answered on March 4 this year, page 4364 of *Hansard*, which shows that the length of time that a person is unemployed has been increasing in the years 1967, 1968 and 1969.

This House should concern itself with the price that we are paying for the government's default. We should look at unemployment in terms of what it is costing this country. What is it costing this country in terms of lost production? The Economic Council of Canada, in one of its early reviews, said that every time we reduce unemployment by one percentage point, we increase the wealth production in Canada by $2 billion and that roughly one-third of that amount would find its way into the treasuries of the various governments of Canada.

The Economic Council of Canada said we should be able to keep unemployment at least at 3 per cent. If we could reduce unemployment to that figure of 3 per cent, we would increase the wealth production of this country anywhere between $6 billion and $7 billion a year, of which over $2 billion a year would find its way into the treasuries of the respective governments of Canada.

I listened the other day to the hon. member for Bruce (Mr. Whicher) accusing the members of the New Democratic Party of always wanting new programs. He kept saying, where will you get the money? Mr. Speaker, this is where we will get the money. We can

get the money by using idle men and idle resources to create new wealth. We are throwing away $6 billion of $7 billion a year in wealth potential because this government has no program, no plan and no vision.

Unemployment is costing us money in terms of government expenditures. When you have 526,000 people unemployed it is costing the people of Canada money for unemployment insurance. For those who have used up their unemployment insurance benefits, there is welfare which is paid jointly by the federal and provincial governments. There is the cost of providing for those who have not been able to pay premiums for medicare and health insurance, the cost of providing them with health services. All this means a drain on the treasuries of this country.

• (4:20 p.m.)

But the real cost of unemployment has to be measured in heartaches; it has to be measured in terms of human misery, the frustration and the insecurity which it brings not only to the unemployed themselves, but to their families. What does it mean to families whose incomes are reduced, who may not be able to make the monthly payments on their homes, who may not be able to provide their children with advanced education? What does it mean in terms of frustration, insecurity, lack of dignity? How can these things be measured? Do they mean nothing to the government? I sometimes wonder whether any members of this cabinet ever in their lives walked the streets of one of the cities of Canada looking for a job. I doubt it. I doubt whether they know or understand how an unemployed person feels. I am sure that if they did they would concern themselves much more actively about this problem than they have done to date.

What does the government intend to do about this matter? There are many things it could do. I notice that in the United States, where unemployment has reached a figure of 4.3 per cent, a figure which the President of that country thinks is much too high, they are releasing additional funds for public housing, not only to provide homes but also to provide jobs. Does the government here intend to follow a similar course? When we stop and realise that in Canada we need at least two million homes and that we have all the material with which to build them within our own borders, we are bound to ask ourselves what has gone wrong. Mr. Speaker, if someone from Mars were to come here and find that we needed two million homes for our people, and that we had all the lumber and bricks, all the plumbing fixtures and electrical fixtures needed to construct those homes, that we had more than half a million people idle, but that we did not possess the initiative to bring those factors together, he would come to the conclusion we were mentally deficient.

The government has done nothing about unemployment. The Prime Minister answered us today by saying they were putting money into the Department of Regional Economic Expansion. It is true they are putting some money into that program, but the program is being nullified by the hostile economic climate in which it operates. How does one induce new industry into the underdeveloped areas of Canada to start new projects if at the same time interest rates are raised, government programs are cut back and consumer credit restrictions are imposed? The Minister of Regional Economic Expansion is trying to help the undeveloped areas of Canada pull themselves up by their boot strings. At the same time, the Minister of Finance is cutting the boot strings, so they slide back to where they were, or even lower.

All this restraint, both fiscal and monetary, which the government has imposed has been carried on, according to the government, in order to stop the cost of living rising further. I would consider it a very high price to pay for stopping the rise in the cost of living, Mr. Speaker. But it has not stopped the rise in the cost of living. In fact, in February, if one compares the figures with those of the previous February, it rose by more than the average for the whole of last year.

The Minister of Finance, in his budget statement, said himself there had been no slowing down in the rate of increase of prices, wages and other income. So not only have we imposed upon the most defenceless group of people in Canada, the unemployed, the burden of fighting inflation, but we have not even begun to win the battle. The reason we have not begun to win the battle is, in my view, that the government has wrongly diagnosed the illness from which the body politic is suffering. The government has mistaken the symptoms for the disease. It continues to follow the false assumption that this country is suffering from too much money chasing too few goods when, according to the Economic Council of Canada, 20 per cent of our population live below the poverty level and another 20 per cent just above it. It is not a question of too much money as far as a very large part

of the Canadian population is concerned. This country is suffering from a maldistribution of income, and the budget does nothing to alleviate that situation.

As a matter of fact, it does the opposite. It continues to levy income tax on single persons earning more than $1,000 a year, or on married persons earning more than $2,000 a year, in spite of the fact that the level of those exemptions was decided upon in 1949 and that since then the cost of living has risen by 65 per cent. Imagine a government which recognizes that old age pensioners who need it should be granted an income supplement, and which then proceeds to make them pay income tax upon what they received. This is why we in the New Democratic Party moved an amendment to raise the exemptions so that no person would pay income tax if he earned less than $2,000 a year being single, and $4,000 if married. The government refused to accept it. There is no relief at all offered in this budget to those in low income groups. No attempt has been made to redistribute income, or, to lift the burden from the shoulders of pensioners or veterans.

A second factor which in our opinion is causing the cost of living to rise is the failure to properly allocate our resources. Rising unemployment accentuates the problem, because manpower is one of our most important resources and more than half a million people possess resources which are not being utilized.

• (4:30 p.m.)

The third cause of rising prices is that two thirds or better of our price structure is not responsive to market forces or influenced by the law of supply and demand, but is an administered price structure. The government has never dared tackle that part of the economy which is dominated by monopolies and quasi-monopolies that set their own prices, generate their own capital, and control a very large part of the market.

The unemployment situation today has not come about by accident. It is not something that has sneaked up on us. It is something that this government has deliberately fomented and perpetrated. I say it is nothing short of criminal for any government to create unemployment as a deliberate policy and then refuse to do anything about it. A government that is unable to provide jobs for its people is worthy of censure. But a government that deliberately creates unemployment and then is unable to meet the problems created by that unemployment is unfit to govern a country. I say that this government has a responsibility within the next few days either to present to Parliament a program that will provide jobs for the unemployed people of this country, or to resign.

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

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the course of the proceedings on the motion of censure I introduced in the House on February 19 last, the attitude and the statements of certain Liberal members from the Province of Quebec amazed me.

At that time, the hon. member for Rimouski (Mr. LeBlanc) upbraided me for having talked on poverty at some length. I admit that I did and I think it was my duty to do so. First, I must say that the problem does exist. Second, the question must be broached if we want to ascertain the causes, as it is not by deliberately ignoring a problem that we will make it disappear automatically. I do not think that having talked honestly about poverty could have aroused passions or been tantamount to demagoguery.

A far as the hon. member for Lac-Saint-Jean (Mr. Lessard) is concerned, he said that I was intellectually dishonest. I say to him, through you, Mr. Speaker, that my intellectual honesty in the House cannot be questioned. When I deal with our farmers' problems, I am simply doing my duty. I never said that all farmers were beggars, but I must say I am tired of seeing that farm people always have to beg for their rights to be recognized and respected. As a matter of fact, this is one of the reasons why 25,000 producers of manufacturing milk have requested, through a petition I laid before the House on February 18, that an emergency debate be held on the milk situation. The purpose of that request was for those producers to obtain justice, and I think it behooved us to do what we did then.

Even though, on that occasion, the hon. member for Richelieu (Mr. Côté) said that this debate was nothing but idle talk, I still believe in our parliamentary system. In my opinion, Parliament is the very place where representatives must discuss great problems such as the dairy industry in Canada. If the hon. member really thinks that it is useless for the House to discuss problems regarding the Canadian people, I wonder how he can justify his presence in this House. I have confidence in this institution and in its discussions and that is why I am taking part in the debate today.

Mr. Speaker, I should like to make a few remarks about the problem of agriculture. I want also to submit to the government some suggestions that I would have liked to make on the occasion of the debate I just mentioned.

Estimates for the year 1970-71 reduce by $10 million the subsidies for price support of manufacturing milk, and this reduction especially affects the eastern farmers, those from Quebec in particular. And I would like incidentally to congratulate the Canadian Dairy Commission as well as its officials who, while doing their utmost to manage efficiently the funds voted to them by Parliament, must necessarily distribute the grants according to quotas and allotments provided in the estimates passed by Parliament after a recommendation by the cabinet, of course.

Mr. Speaker, the Minister of Agriculture (Mr. Olson) states that there is a surplus of dairy products and that it is to curb production that grants to manufacturing milk producers are being reduced. In my opinion, farm workers are really the only ones to be penalized for their efficiency.

Yet, there is a surplus of workers on the labour market, since the unemployed number over 400,000. And, as far as I know, salaries have not decreased for that reason. I am very happy that there is some legislation to protect the workers in the other sectors of the economy.

There is also a surplus of professional people. How many of them are unemployed? Yet, their fees are certainly not decreasing. If farmers are not given some protection against market variations, I wonder what we shall come to.

Since 1967-68, the number of industrial milk producers registered with the Canadian Dairy Commission has decreased by 70,000. What has become of them? Did they all manage to get a job in other industries or did they simply become welfare recipients?

• (4:40 p.m.)

I do not believe that it would be a good thing for Canada to carry on in this way. I think it would even be better to spend $1,000 to $1,500 per farm per year to assist these small industrial milk producers so that they could be proud of making a personal effort rather than pay them $2,500 in welfare benefits so that they can live miserably, deprived of any personal initiative.

Farms do not sell any more. They are abandoned most of the time by settlers or farmers who have improved them for the past 20 or 30 years. I know that in different parts of Quebec, some farmers cannot even give them away, when they had hoped to sell them towards the later part of their life in order to live decently.

Our country would still be better served by people concerned with helping themselves to a better life than by people obliged to stay idle. In my opinion, Canada cannot continue in this way. It is not economical.

Governments invite farmers to increase their production but when the effort has been made, they are penalized. This is the result of planning. The great planning experts seem to want to make a living the easy way. If that is their wish, they are fully successful.

The gap between the cost and the price paid by the consumer for a food product is wider than ever. Out of every dollar spent by the consumer, the portion of the farmer has decreased in every field of production. We must, therefore, come to the conclusion that the more the farm product is processed, the smaller the farmer's share.

Milk producers are not the ones to be held responsible for inflation. It is not with an average income as low as $2,000 per year that milk producers can buy anything at any price. On the contrary, they are the victims of inflation and the austerity measures of the government are a serious threat to their income.

The Minister of Finance (Mr. Benson) asks the people to produce more in order to flight inflation. That is what milk producers have been doing and the government is penalizing them for having complied.

Mr. Speaker, I should like to make a few suggestions that could help us solve this tricky problem. I know the Minister of Agriculture knows some of those solutions and will influence his colleagues in the cabinet so as to bring the government to legislate as a true servant of the people, and not as a servant of high finance and economic dictatorship.

As regards the growth of purchasing power, I should like to congratulate the previous speaker for having dealt with this problem very intelligently and realistically. Indeed, he spoke about the lack of purchasing power among those who are really in need. I agree with all his remarks to that effect.

If sound common sense had its way, the purchasing power in families where the father is generally the only one to derive an income from his work would follow this rule: Equal work, equal pay. In a just society, one should add: everyone to his needs.

That is why I suggest family allowances should be increased according to the cost of living. That would be a means of increasing the purchasing power according to needs. Then, more dairy products would surely be used. To pay allowances, instead of taking the money out of the pockets of the consumer by levying new taxes, the government should authorize the Bank of Canada to issue new credits, based on that production. The Bank of Canada should be authorized to loan free of interest the funds required by the Canadian Dairy Commission; this would spare dairy producers having to pay tribute money to credit controllers, chartered banks and finance companies.

The Canadian contribution to foreign aid in the form of dairy products must not be paid by the dairy producers alone. It is said that generally speaking, two thirds of the world population are underfed. Our surpluses could perhaps be used to help those people. Industrialized countries spend an average of $12 billion a year for the development of underdeveloped countries. On the other hand, those same countries spend almost $175 billion on national defence. The poor countries are growing poorer, and the rich ones richer.

Thirdly, by guaranteeing a better price to the producers of manufacturing milk the government would contribute indirectly towards paying the cost of a vast publicity program to encourage the Canadian consumer to purchase more dairy products in Canada.

Everyone knows how efficient publicity is. Thanks to it, a mixture of water, sugar and a bit of coloring—known as soft drinks—is sold for something like $30 per 100 pounds to the Canadian public while that same public, for lack of publicity, is loath to pay the producers of manufacturing milk $4 per 100 pounds.

Soft drinks sell at 75 cents a quart, whereas manufacturing milk sells at 10 cents a quart. In addition, the government might also distribute part of the over-production of manufacturing or fluid milk in schools, which would permit an easier disposal. They wonder whether it would be possible.

Figures speak for themselves. An experiment was conducted in the United States along that line, and an economist of the C.F.U. before the standing committee on agriculture stated the following, and I quote:

About 5 billion pounds of milk are consumed in the United States through food aid programs.

That program amounted to about $650 million and Congress increased it to $1.5 billion; and recently, the President of the United States had it increased to $2 billion for next year.

[Mr. Lambert (Bellechasse).]

The American people are not stupid, after all. If it were not sound, I believe they would put an end to such a program.

The unfavourable remarks about the program implemented by the United States concern its inadequacy. That is the reason why the estimates for that purpose have been more than doubled.

We should seriously consider giving such a program a trial in Canada before stating it is impossible to achieve this goal to everybody's satisfaction. It would involve extra expenses, but they might be otherwise counter balanced, for instance, by keeping on the job a great number of workers now threatened with unemployment in industries connected with the dairy industry. Such workers would pay taxes to the government instead of being on social welfare. Therefore, I believe this would be a very good investment.

Finally, since the government, through its dairy policy, discourages a great number of dairy farmers, and not only the smaller ones, but also those producing over 200,000 pounds of milk annually and whose quota is not set in proportion to that production, and also since part of the milk produced will be sold below cost because of the export tax which is about 52 cents per hundred weight, as a result, the Department of Welfare will have to cope with an almost equal number of new customers. Where are we heading to?

If our surpluses of dairy products cannot help the underdeveloped countries, there might be another answer. They might, for instance, welcome machinery and equipment. In that case, we should set up as soon as possible an industrial development program in the fields which are most affected by lay offs of farm workers so that they may start working in some other field.

We should set up a program as efficient as that which aims at reducing considerably the number of farmers.

Lastly, and in the best interests of the country as well as for our own sake, we should improve the conditions of the farm industry by ensuring, in every sector of farm production, prices which will bring dairy producers an income at least equal to that of the people working in other sectors of our economy.

• (4:50 p.m.)

It remains a fact that agriculture does not concern farmers only, but many other people who earn their living in related industries.

Consequently, producers are not the only ones to benefit from the money spent on subsidies to the dairy industry; consumers do too. I ask the government as soon as possible to revise its decision on the dairy policy and to increase the subsidies in order to guarantee dairy producers a better income, considering the higher production costs. The government should follow the suggestions offered in the numerous briefs submitted both to the Standing Committee on Agriculture and to the minister himself. Let there be swift action in order to prevent many dairy producers from going bankrupt.

During 1963 and 1964, the last years for which figures are available, the approximate average grant paid to the dairy industry under farm programs amounted to $28 per capita in the United States and $16 in the United Kingdom, while in Canada it only amounted to $11. We have therefore not overdone it in that field.

Since more than 50 per cent of Canada's dairy production is concentrated in Quebec, it is obvious that this province will be most affected by the reduced grant for dairy production. I do not really believe that the government wishes to hurt Quebec or to punish it, but just the same, it is that province which is the most penalized and which suffers the most from the dairy policy.

This attitude does not help to establish an atmosphere of trust and understanding in Canada. I think that at the present time it is more important to solve our economic problems and be fair to all the regions of the country than to lose some valuable time speaking of the constitution. If, with the best constitution that it is possible to have, part of our population is starving, will we be happier? Is that prosperity?

Mr. Speaker, our people are not less intelligent than others. In reading newspapers and analysing the situation, they have learned that the central government is preparing—as a matter of fact, it is all over and the decision is almost final, unless they listen a little to us—to reduce by $10 million the funds earmarked for subsidies to industrial milk production, while at the same time they are granting farmers in another part of the country over $100 million to get them to reduce their acreage. Well, some people are ready to exploit every such occasion to play the East against the West and the French Canadians against the English Canadians and they will take advantage of the situation, and this will have an adverse effect on the country as a whole.

I therefore feel that because of all this we should stop to think before deciding whether really we should fight inflation at the expense of good-will between the eastern provinces, particularly Quebec, and the others.

On behalf of the 25,000 people who signed the petition I had the honour to table in the House, I ask the Minister of Agriculture to convince his colleagues of the cabinet that so many people cannot possibly all be wrong, that the responsible people who run farm organizations cannot all be wrong, and only the minister be right. If we really want an active democracy, we must at all costs take into consideration the recommendations of intermediary agencies such as the C.F.Y., the Canadian Federation of Agriculture, the Dairy Farmers and the Federation of Industrial Milk Producers of the Province of Quebec.

I assure the minister that he can depend on the full co-operation of our group in order to bring farm income up to that in the other sectors of the economy; that is something in which he sincerely believed in the past. As for us, it does not matter whether the political merit goes to the government or the opposition. Our opinion is that we must act quickly to release the "price-cost" vise which is now choking even the better off farmers.

Perhaps I will be told that it is easy for the opposition to criticize. I am convinced I have offered constructive criticism and also that I have made realistic suggestions. From the three roles: that of the opposition, that of the government or that of the industrial milk producers, I am convinced that the milk producers' role is the most difficult one.

During the February 19 debate on the dairy industry, I purposely avoided speaking about the report from the Standing Committee on Agriculture because my opinion was that this report should be examined by the House shortly. But since this report has not been studied as yet, I would call to the attention of the Minister of Agriculture a recommendation I have made before the committee. In fact, as reported at page 12 of issue No. 10 of the Minutes of Proceedings of the committee, my proposal went as follows:

> The Committee recommends that the budget of the Canadian Dairy Commission be increased so as to guarantee to underquota producers registered at the Canadian Dairy Commission who have not exceeded their quota an income for 100 pounds of milk equal to that of 1969-70 increased by a sufficient amount to compensate for the annual increase of 5% to the cost index of goods and services.

Mr. Speaker, I do admit that my proposal was rejected by the committee but only because of the interpretation given to the Standing Orders of the House, which will have to be amended to ensure greater flexibility and efficiency in the committees.

Mr. Speaker, I would like now to say quite frankly, having worked a few months on the committees, what I think of their efficiency, so that we may find ways and means to improve them and so that Parliament might benefit therefrom.

Mr. Speaker, the government has greatly publicized the important part entrusted to the standing committees of the House. There was a time when I myself sincerely believed that hon. members would accomplish something worthwhile with this tool. But frankly I must admit that I am very disappointed at the lack of consideration given by the government to committee reports.

I am on the Committee on Agriculture which has a membership of 30. This committee has been authorized by the House to travel across the country to study farm problems on site.

The committee took two trips in 1969: one out west, the other in the east, but the report has not yet been tabled in the House. However, we visited a great number of regions, met hundreds of farmers and received numerous and interesting briefs which have not been of much use so far, so it seems.

This has brought me to ask myself certain questions. I am dumbfounded by the awful lack of logic I have witnessed in certain fields across the country.

In Newfoundland they had undertaken a fantastic project: the setting up of grazing-ground in a place where the Creator did not even want a single shrub to grow. It was intended to promote cattle breeding whereas at the same time in other parts of Canada entire farms are being deserted. There are thousands of such cases in Quebec and even in Ontario. And the government is prepared to give more than a $100 million to the farmers in western Canada to get them to put thousands of acres of very fertile land in fallow. Don't you think that we are living in an upside down world?

• (5:00 p.m.)

That is not all. In 1968, under a cost sharing program, ARDA spent several million dollars in the Bellechasse, Lévis and Lotbinière ridings in the province of Quebec for drainage purposes. Governments boast about reclaiming 80,000 acres of land to bring them into cultivation; on the other hand, every possible attempt is made to turn into productive land areas which are unsuited for cultivation; furthermore, production is impeded in those already under cultivation. This is what happens in Canada in 1969-70, which is utterly ridiculous.

Soon the government will announce a new dairy policy for 1970-71 without first allowing the House to study the report of the Standing Committee on Agriculture which was tabled February 17 last. Mr. Speaker, the committee held several meetings, heard many interesting and capable witnesses, received very responsible briefs containing very sound proposals, with a view to finding a solution to the problem. In my opinion, all that amounted to nothing. That is why I have doubts about the usefulness of committees. Is their only purpose to send their members on trips?

Mr. Speaker, I should like now to deal with another subject of concern to my constituency, the textile industry. This week, I was supposed to meet with the manager of a plant which has developed to some extent and employs a great number of workers, but is going through a very serious crisis at present.

The textile industry is in a bad way. Indeed, a large number of workers feel insecure as a result of seasonal and chronic unemployment and low salaries. It is imperative that steps be taken to enable those mills to produce under human conditions, and to survive in the best interests of the area concerned and the country as a whole.

There was no mention made of that problem in the budget speech; that concerns and disappoints me. In answer to a question I put to him earlier this week, the Minister of Industry, Trade and Commerce (Mr. Pepin) asked the opposition to make suggestions.

If he takes our suggestions into account in the same way as the Minister of Agriculture seems to take into account the briefs and recommendations of farm organizations concerning the dairy industry, I wonder whether he is serious when making such a request.

Unemployment increases from week to week, and the government seems happy about it. If, in order to fight inflation, more people have to be unhappy, I am against it. I represent a constituency located in a designated area, a special region, where the government must help industrial development in order to create more jobs. Now, not later than yesterday, 80 workers were laid off in one single

plant in Montmagny. The situation is becoming alarming, Mr. Speaker. What are we waiting for in order to protect our essential industries?

Mr. Speaker, I have listened to and read the speeches of the government members, and they seem happy with the budget introduced by the Minister of Finance (Mr. Benson). They say, with a sigh of relief: Fortunately, the government did not announce any new tax or any tax increase.

They forget, however, the temporary 3 per cent income tax levied by the government and still in force this year, which means that it is going to be permanent. This is for the government a new and not too embarrassing method of levying taxes. So much the worse for the taxpayer who will have to pay the bill.

A temporary 2 per cent income tax was also levied last year. It has been carried over in this year's budget and will therefore become permanent. It is called the social development tax. Still, during the last fiscal year, it has yielded the tidy sum of $447 million to the government.

The purpose of the government in levying this social development tax was to establish the just society promised by the Prime Minister (Mr. Trudeau) and described in the Speech from the Throne at the opening of the first session of the 28th parliament.

Through that 2 per cent tax, the people pay cash for social development they do not get, and they will have to pay a second time when the government decides to have them benefit from it, perhaps then by way of a C.O.D. That is a modern way for the government to increase its revenue in an underhand manner without suffering the unpopularity linked with new taxes. It is furthermore a marvelous opportunity to start an argument between the government of the province of Quebec and that of Ottawa—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member, but his time has expired. Without the unanimous consent of the House, the hon. member cannot continue his remarks.

Is it the pleasure of the House to have the hon. member for Bellechasse continue his remarks?

Some hon. Members: Agreed.

[*English*]

Mr. Bell: Mr. Speaker, we are trying to push through some extra speakers. I think the hon. member should be permitted to finish his speech with a sentence or two.

Some hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Béchard): Very well. The hon. member for Bellechasse.

Mr. Lambert (Bellechasse): Mr. Speaker, I am grateful to the House for such understanding and I shall not impose upon its good will.

I was saying that the social development tax has created an argument between the governments in Ottawa and Quebec, which in turn made people forget the real issue—economic security and utmost freedom for one and all. While the old-school politicians are bickering on this subject, the financiers continue to exploit everybody. But these manœuvres are drawing to a close because, more than ever, people are aware of what is going on and want to know the real problems so as to better assess them.

In ending my remarks, I should like to say a word about the $200 million which have been much in the news and on which the Quebec administration wants to put its hands. Officials of the Quebec government have stated that they would not conduct their election campaign on the back of the government of Ottawa with this matter of the $200 million.

And, as soon as they had made that promise, their speeches on radio and television were all on this subject.

Mr. Speaker, one thing is certain, namely that I, as a member from Quebec, agree that this money, which has been collected through the 2 per cent social development tax, should be used for the people of Quebec. I wonder, however, whether it would not really be preferable to abolish this tax until appropriate agreements have been signed for the benefit of the whole population, and not make use of those $200 million to create a surplus in the federal treasury. Since it is possible, through mere formulas, to dip into the taxpayers' pockets, could not the same means be used to reimburse them.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I have great esteem for the Leader of the Opposition (Mr. Stanfield) and for the leader of the New Democratic party (Mr. Douglas) and usually I listen to them attentively as I did this afternoon. But I must honestly admit they disappointed me by put-

ting me in a position where I could see the emptiness of their interventions, when they said only that there was unemployment—everybody knows that, of course—that the economy is going through difficult times—we are all aware of that also—and that the government is doing nothing. I would have expected really constructive criticism and that instead of blaming the government they would have made useful suggestions.

I was listening earlier to the hon. member for Bellechasse (Mr. Lambert) who made quite a vigorous speech. I agree with a good many of his views but not with all. For instance, when he repeats constantly that the Bank of Canada could solve our problems, he may be right to a certain extent but that institution is certainly not a gold mine; it cannot cure all our ills.

• (5:10 p.m.)

However, I do not want to dwell on that too long. Instead, I wish to take him to task, he who denied earlier indulging in demagogy or electioneering, claiming that he was doing rather something constructive, for having suggested that the $100 million in subsidies that the government will grant to western farmers would be somewhat unfair, at the expense of the rest of Canada. I think that was a mean remark. However, I appreciate the intellectual honesty of the hon. member for Bellechasse—

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order. I do not wish to interrupt the hon. member—

The Acting Speaker (Mr. Béchard): Order. The hon. member for Bellechasse rises on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, I do not wish to interrupt my colleague from Trois-Rivières, but if my remarks have been interpreted as a reproach to the government about western farmers, it is very unfortunate. I never thought so. I said that it could be interpreted by our own people or exploited by others who are seeking to spread discord as likely to create dissension and give rise to prejudice. I want to make myself clear on that matter.

Mr. Mongrain: Mr. Speaker, I thank the member for Bellechasse for his explanation, but I add that if he had wanted to show absolute intellectual honesty, he would have told the population why the government has granted a $100 million subsidy to western farmers who, this year, will face an unusual problem which does not occur every year.

In extraordinary and disastrous situations such as this one, any government must take unusual measures. Then it must be explained to the Canadian people, especially those in Quebec—where there are so many demagogues who take advantage of such things and misrepresent them totally and unrealistically—that the ten provinces are interdependent and that if some of them, for example, are deprived of a decent standard of living, all the others must suffer for it.

Besides, that is why was established the equalization system under which the province of Quebec will be receiving this year $350 million, and more next year. Those are the things which must be stated when one wants to be honest. I do not suggest that the member for Bellechasse did it intentionally. It is probably because, as he was running out of time, he knew he could not say everything he wanted to say. I feel that those facts must be told.

[*English*]

I think, personally, I would be remiss if at the beginning of my remarks I did not convey to the government the gratitude of my fellow constituents, and especially of the three municipal councils that represent the three municipalities which form my riding, for having decided to designate our region, and also for having decided that our region would be specially designated. That is another thing that the hon. member for Bellechasse (Mr. Lambert) could have mentioned since his own riding was designated, and specially designated. He could have added a word of thanks to the federal government, even if it is what we call justice distributive in French. It is a fact that the government has made a decision which probably represents the difference between poverty continuing for years and years and the achievement of a certain measure of prosperity, increasing little by little in succeeding years.

[*Translation*]

As far as the metropolitan area of Trois-Rivières is concerned, it is in a rather strategic position since it constitutes the core of the province of Quebec. It has resources and an economic and industrial potential that are rather important.

For various reasons that I could not enumerate this afternoon, we have experienced during a few years some kind of stagnation. Now, the government has agreed to designate

our area and even make it a "special area". This augurs well for a future of real prosperity. When reading the newspapers from my area, one finds how pleased are some organizations, such as the Chambers of Commerce, including the Junior Chamber of Commerce, labour organizations and industrialists' and businessmen's associations, to see that the government has made this gesture. They are ready to do everything possible to take fullest advantage of the benefits made available by the government.

I therefore thank the government for I am convinced that I speak for all the taxpayers, for all my fellow-citizens in my area who are happy with the situation.

The hon. member for Bellechasse has said earlier that the federal government was not doing anything to help the farmers. Even if the federal government does not hand out all the grants to dairy producers—and I will not embark on that topic where I would be at a loss, since there is no farming in my riding—it has suggested alternatives for some rural areas in the province of Quebec. If the Quebec government would accept one or other of those solutions, the province would become highly prosperous, especially in the field of farming which is now stagnating.

For instance, when the federal government offers to develop a national park in the Gaspé peninsula or in the St. Maurice valley, they should rejoice, as a few million dollars investment could draw from tourists $15, $20 or $25 million a year, which would benefit people of these rural and surrounding areas. All people living along roads travelled by tourists would enjoy an increased annual income.

The member for Bellechasse is right when he contends that the present problem is an economic one. We must put an end to our barren quarrels on all aspects of the constitutional reform, as most of the time these are empty words spoken by lawyers striving for influence.

It is important to ensure to all Canadians their three meals a day. It is for this reason that the government is taking concrete measures such as the designation of special areas in order to erase regional disparities, to assist municipalities and to create conditions that will promote the setting up of new industries or the development of existing ones.

That is why the federal government is prepared to create national parks in Quebec, why it has implemented a retraining program designed to give a minimum of academic background to those who lack it, to provide those whose skills have become obsolete with new ones, to teach skills now in great demand to those who have none at all. Those are concrete measures for the elimination of unemployment. The people do not want charity. I commend the government's decision to review its social legislation in order that, as soon as possible, all Canadians may have a minimum guaranteed income allowing them to live decently.

The hon. member knows the government is concerned with doing all these things. He will have become aware that government policy aims at the goals so well spelled out by the Prime Minister (Mr. Trudeau) when he said, in his own colourful style: If my neighbour is hungry and I give him a fish, there is no doubt that I have helped him but if I also give him a fishing-rod, he will be able to help himself.

This, in a way, is characteristic of this government's policy. To suggest that the present government is not doing anything to solve the present situation, is not true. Indeed, we should not forget that a cold wind of inflation is blowing on the whole world, including countries which were more prosperous at one time than Canada.

I am thinking, for instance, of England whose government has a philosophy that is very close to that of the NDP, of England that has a great deal of trouble trying to maintain some kind of stability. In fact, from time to time the workers protest. France which is a very prosperous country has succeeded due to a certain economic uncertainty, in overthrowing a giant named de Gaulle.

I might also mention Italy which is unable to form a government at the present time.

In Canada, we have succeeded at least in maintaining some sort of stability and in preventing the worst. It is true that there is unemployment in this country. However, if the government had not taken with our help the steps we know, the situation would be far more disastrous.

The opposition co-operated with the government about the implementation of social measures in Canada. In fact, the federal government spends billions of dollars throughout this country, all the year around, in order to maintain some economic stability. Were it not for this initiative and taking into account the crisis that prevails everywhere in the world, the situation would be very much worse.

• (5:20 p.m.)

I do not think it is correct to say that 6.7 per cent of our workers are unemployed compared to 5 per cent last year. We must ask ourselves if the international situation is not a little bit responsible for that. If no steps had been taken, would things be better or worse?

It is obvious that the government has failed up to now to eliminate unemployment. It is certain also that it will not succeed without the co-operation of provinces, manufacturers and labour unions. But at least it took steps to prevent the situation from becoming worse and even to improve it in several fields.

For my part, I am sure that I speak for all my fellow-citizens when I thank the government for its efforts in order to reduce unemployment. As a positive suggestion, one could perhaps ask the government to organize, if possible, summer camps for university students who want to work. Two birds could perhaps be killed with one stone. These students would first of all be given the opportunity to earn some money with which to pay their tuition fees. In this way, instead of loafing through the summer, they could work for the municipal, provincial or federal governments, helping to develop our natural resources, such as our forests and our lakes, and also to reduce air and water pollution.

The youth of today would like to see such an organization being set up. I recall that there was at one time in the United States an organization known as the Civil Conservation Corps, which was devoted to keep university students busy in summer camps. If I remember well, that was at the end of the economic recession of 1930-39. Outstanding results were achieved by that organization.

Mr. Speaker, I thank my colleague the hon. member for Bellechasse for having mentioned the chaos in the textile industry, and I agree with his remarks. The Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of Finance (Mr. Benson) as well as their experts are looking after that problem. Indeed, I had the opportunity to meet them on many occasions, and I would like to repeat what the hon. member for Saint-Hyacinthe (Mr. Ricard) has already said, and confirm what the hon. member for Bellechasse has just said. I therefore wish to remind our government that the situation is urgent.

There is in my constituency a textile industry which has 2,100 employees. When I meet the management, they tell me how much they

are concerned about the present conditions and they suggest some solutions which seem satisfactory to me. I would therefore ask the government to consider as positively as possible this urgent problem which is in danger of increasing unemployment.

Some companies, because they did not retrain their employees or did not modernize their equipment on time, are condemned to disappear. We have to resign ourselves to that fact. But there are others, and I am thinking of Wabasso Cotton in my constituency which has always had the latest equipment and the best working conditions. It deserves, on account of its efforts, some consideration from the government for itself and its employees.

It seems there are some 85,000 workers in the textile industry in Ontario and Quebec, a substantial figure. I will read part of a communication from the Canadian Institute of Textiles which I have here:

> —the Canadian industry of yarns and cottons invested an estimated $10.9 million as capital or maintenance expenditures in 1968. The amount was $21.7 million in 1967 and, according to estimates by investors it will be $11.2 million in 1969.

Therefore, the textile industry made efforts to modernize its equipment and to give new training to its workers in order to meet the competition of countries where wages are 15 to 25 times lower than in Canada.

In spite of all these improvements, the textile industry is in deep trouble. Statistics show that in 1965, woven cotton and synthetic fibres produced by Canadian mills accounted for merely 57 per cent of the Canadian consumer market. The rest came from abroad. In 1969, this figure had declined to 52.5 per cent. According to the leaders of the textile industry, this is an alarming rate of decrease, and they suggest, after conducting studies on what is done elsewhere, that Canada is probably the only country which does not enforce quotas high enough to protect its industry. In their opinion, at least 65 to 70 per cent of the Canadian textile production should be absorbed by the Canadian market. In Japan, there are laws, they say, requiring those who import textile products to secure special permits from the government which grants them only if it is deemed essential to the development of the Japanese industry.

The problem is not that simple, Mr. Speaker, for we have to consider international trade and maintain a trade balance in this field. Japan buys more goods from Canada than we buy from that country, but it is inconsistent to let our textile industry deteri-

orate and its domestic market decline, when we are spending millions of dollars to try to boost the economy and set up new industries. It would be wise to maintain our existing industries. I therefore ask the government to take steps in order to increase the quota of Canadian consumption supplied with Canadian production. It is now roughly 55 per cent, including all products available. It should be increased to 65 or 70 per cent.

When it is intended to establish quotas, the industry should be advised a few years beforehand, so that it will know where it stands, and will be able to plan their investment budgets and have some idea of the kind of market it can count on. We would render it a tremendous service. In fact, we would prevent it at least from dying; it is a vigorous and open-minded industry, which managed to retrain its workers and modernize its equipment in good time. The others, of course, are still living under that basic law, that is, the survival of the fittest. Some people will always have to give up, as some farmers have. Indeed, while some farmers continue to prosper others are going bankrupt, because they are unable to manage with the means at their disposal.

I have another request to make to the government. At a time when my area, that of Trois-Rivières, located in the heart of the province of Quebec, is on the threshold of a considerable industrial revival, having been designated as a special zone, when the federal government is prepared to give us also a national park, and when we are awaiting the decisions of a Quebec minister who is looking for periods and commas, when we need millions of dollars to get jobs for our people, I wish to call the attention of the government to the fact that Air Canada intends to curtail its daily service to Trois-Rivières.

In the name of the municipal councils, Chambers of Commerce and businessmen at home, I wish to oppose Air Canada's decision very strongly, because we have built an up-to-date 6,000-ft. runway specially for Air Canada. The city has erected an air terminal that numbers among the most beautiful in Canada, whose design is probably the most modern yet. The government has spent considerable amounts of money to install an electronic control tower system designed to guide the landing of big aircrafts.

Many sacrifices have been made for Air Canada. That corporation is not justified, just because its operations are showing a deficit, to cancel its daily flights, and that for the following reasons: first, the federal government as well as the Trois-Rivières municipality have invested huge amounts of money so that Air Canada would come into that area. Furthermore, the profits of the corporation must not be computed simply on the basis of the tickets sold in Trois-Rivières. Finally, Air Canada certainly brings a large number of people from the metropolitan area of Trois-Rivières, which has a population of 350,000 to 400,000, to go to Montreal by air rather than by car when they go on holidays for one, two or three weeks.

These are profits accumulated by Air Canada but which are not taken into consideration in its computation to see whether the Trois-Rivières air terminal is economical or not, while they should be included because otherwise people will travel by Air France, Eastern Airlines or CP Air. People are under no obligation to travel by Air Canada but the fact that this corporation is there induces them to use its services.

I admit that when I started to travel along distances by air I used Air France planes with much pleasure but today when my friends and I travel by air, we go by Air Canada.

Air Canada has incurred obligations on account of government investments. It gets something out of the advertising made in foreign air terminals as it is a company which is to a certain extent financed by the federal government. Therefore, it should help designated areas to prosper by maintaining its service there.

I ask the Minister of Transport (Mr. Jamieson), as well as the whole cabinet, to use their influence in order that the Trois-Rivières area may keep its airport and so that Air Canada will maintain its daily service there. Moreover, schedules should be drawn up so as to make air travel even more attractive to business men, for instance, who wish to make connections with flights to northwestern Quebec or to other countries.

• (5:30 p.m.)

Mr. Speaker, I do not want to take too much of the time of my colleagues but I would have had things to say about the famous $200 million. Quite a fuss is made about the whole thing in the province of Quebec and it is used as a means of stirring up the province against the federal government. Such utter irresponsibility.

This is not only irresponsibility but criminal dishonesty in many cases because those

$200 million were distributed to the citizens of the province of Quebec. That amount was not given as a lump sum to the government so that it would use it as it thought best. It was distributed to all the Quebec citizens, under the form of pensions or welfare measures of all kinds, the cost of which goes up every year. One will recall that that was precisely the objective of that social development tax. If we have no medicare in the province of Quebec at the present time, it is not the fault of the federal government which is ready to pay half of it. It is the fault of the Quebec government, it could have implemented it last July. Indeed, the government intends to levy a premium in order to implement it. It will therefore not cost the provincial treasury very much. The taxpayers in Quebec will pay the share Quebec should pay.

It is therefore unfair to accuse the federal government without explanation, of fiscal violation, or even of theft. That is irresponsibility! That is criminal demagoguery, when arguments are used that only serve to stir the ill-informed, the naïve souls in Quebec, against the central government which tries to maintain reasonable prosperity in all the provinces.

The province of Quebec is the first to benefit, thanks to equalization payments, and also to the direct or indirect contribution of the Department of National Defence which spends hundreds of millions of dollars in Montreal. If Quebec were to separate, it would no longer benefit from that financial contribution, nor from the subsidies to hospitals, to CEGEPs, and all the other things it accepts without a word.

I cannot deal with everyone of those points for I see my time is almost up. I thank my honourable colleagues for their patience and I conclude by saying again that my own electors are most grateful to the government for having given us the advantage of those special measures, thanks to designated areas and "special areas."

In addition, my electors express their deep gratitude to the federal government for having thought of having a national park in the St. Maurice Valley.

I also ask the government to protect the textile industry, which is a very important one in my area, and to consider that problem as urgent as that of the farmers out west.

Now, I should like to speak with every precaution, because I should not like to show the weakness I have reproached to others.

[Mr. Mongrain.]

Although I am in favour of the $100 million that will be spent out west, I say the textile industry in Ontario and in Quebec need help.

As for Air Canada, I trust the members of the government will be firm enough to see to it that it does not disappear from the area, at least not before we have alternative service as convenient as the one we already have.

I forgot to say that another service has been added to that of Air Canada which is financed by the federal government, namely a meteorological service which is useful to us in many fields and which we may not be able to keep if Air Canada leaves us.

[*English*]

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my first reaction to this budget was that the government had missed the boat, if indeed it had any intention of ever trying to catch the boat in the first place. After listening for three days of debate on the budget, I realize that the government has not just missed one boat, but several boats. They have missed so many boats that I am inclined to wonder if they are going in the same direction as the rest of us. I wonder if the government is even remotely interested in going in the same direction that the Canadian people wanted to go. It is obvious that the government is going to continue to go its own way regardless of whether the Canadian people benefit from the exercise.

One thing that comes through loud and clear in this budget is that the government has decided that prosperity is too good for the average person in Canada. In this land of plenty, this land of lush forests, untold mineral resources, great challenge and unlimited opportunity, the Canadian people are given a choice between a demagog or nothing. Even as we debate this budget the government has brought in new legislation which it says will solve the problems of our agricultural industry. It is another smoke-screen. Anyone who takes the trouble to read the bill will see that this is more clear evidence of a demagog under the guise of helping the farmer find markets more readily for his produce. The bill contains provisions for the eventual takeover by the government of the means of production and absolute control over where and how the producer will market his produce.

Today's headlines state that there are 526,000 people unemployed in Canada. While unemployed workmen in the hundreds of thousands and elderly people on fixed incomes cry out for some small measure of

understanding from this government, and while veterans of wars that Canada fought in order that we may choose our own way of life and government ask for more assistance, this government chooses a path that leads still more people to the poorhouse.

While we debate this budget the government is busy thinking up new departments and agencies that it might establish. When we press for answers as to why we need these agencies or departments, we are accused of obstructionism. The only justification for these new agencies that we can find is that the government needs to provide new havens for party hacks and followers.

It seems strange to me, Mr. Speaker, and it must seem strange to some government backbenchers, that we can provide funds for hippies and agitators to do their thing, people who would not take up arms against an invader if he was about to cross the Rideau, yet we cannot find the funds with which to alleviate the suffering of men who went to foreign lands to keep the demagogs away from our shores.

Here was a perfect opportunity for the government to do something for these people, and something must be done. Remedial action for the plight of these veterans, many of whom are destitute, is long overdue. Why could not the government have done something in this budget to solve problems such as those facing the elderly and the veterans, instead of acclaiming proudly that all we are capable of creating at this time is more unemployment, more suffering.

Who is this government to tell us that prosperity is too good for the Canadian people? Who is this government to tell us that there is not enough wealth in this country to provide even the minimum requirements of its people? With a majority in the House, with the largest cabinet in the history of our government, with the largest budget since Confederation, this government cannot solve the simple problems basic to human survival and human dignity.

• (5:40 p.m.)

The obvious inability of the government to cope with social and economic issues in a manner which would benefit the Canadian individual was illustrated graphically last year by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) during the debates on Standing Order 75C. The hon. member said that the government could not boast about how much legislation they had passed while at the same time complaining about opposition obstructionism. We still hear both overt and covert complaints from the government benches that we on this side of the House are obstructing important legislation. I throw down the glove to the government. I challenge them to bring in one piece of important legislation, so that we can all get down to the business of passing laws through this House which will provide something for the Canadian citizen instead of incessantly taking something away from him.

Mr. Speaker, I do not want to be accused of labouring the obvious. I do not want to keep repeating what my colleagues and I have been saying ever since the Prime Minister (Mr. Trudeau) took control of the destinies and the pocketbooks of the Canadian people. But if we keep repeating it often enough there is a chance, if only a slight one, that the government will come to realize that there are too many poor people in a country which can provide more than we need. The government might come to realize that the men who sacrificed their health and their promise of a productive life by fighting in our wars are more important to us than draft dodgers and deserters from other countries.

The legislation which the government claims is being obstructed is designed to allow this government to take over every segment of the Canadian economy and all the means of Canadian production. Is this the way of parliamentary democracy? If it is, then someone has written a new book on the subject. Judging from his past writings in the field of political science, I would suggest that the author of this new version of parliamentary democracy sits across the chamber surrounded by the largest and most obedient staff of ministers in the history of Parliament.

Mr. Speaker, I wonder what the Prime Minister would like me to tell my unemployed constituents about the failure of the government to come to grips with the problems of the country. I wonder what the Prime Minister would like me to say to elderly people on fixed incomes when they ask how much longer they must wait for a little help. What shall I tell the veterans in my constituency when they ask me if anyone remembers them?

There is another area of great concern which would bear examination. I am thinking of this government's expertise in reorganizing departments and agencies. Take the Post Office as an example. This is a real gem. For

almost a hundred years we had a Post Office which delivered letters and parcels. When I was growing up, the postman was a respected member of the community who seemed to be above partisan politics and organized violence. The village post office was often the centre of social activity in the small communities across the country. Now, Mr. Speaker, we find that one of the defeated candidates for the leadership of the Liberal party has reorganized the Post Office. While he was in the process of making a shambles of the Post Office system he made such profound observations as "The practice of sending letters from one person to another person is becoming outmoded. Such things belong to a bygone era." Well, Mr. Speaker, he has proven that point beyond doubt. Mailing a letter in Canada from one person to another, and getting it delivered, does indeed belong to a bygone era.

The minister also closed many of the village and town post offices across the country—as a matter of fact he has closed some 1,200 of them—and told us this saves the Post Office some $2 million a year. We learn, however, that the Company of Young Canadians is getting almost $2 million a year to spend doing their thing. I wonder which is more important. We could go on and on, Mr. Speaker, calling attention to such examples of government efficiency as the recent reorganization of the Unemployment Insurance Commission, but in the face of the power-mad group sitting across the chamber any observations we make regarding the inefficiency of the government amount only to painful reminiscence.

This budget is just another straw piled on the back of the Canadian individual, the Canadian voter. Over the next two years we can expect to see more of the same, and the people are already getting tired of excuses in place of answers. We on this side of the House will continue strenuously to oppose the trend to government takeover of Canadian institutions and the suppression of individual freedom. It is not unlikely that two years from now those same voters will decide to cancel the present government's mandate and restore the concept of parliamentary democracy to this country.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this budget reminds me of a story I heard about a man who was undergoing an examination after applying for life insurance. The doctor asked him the usual routine questions before inquiring, "Have you ever had a serious accident?" The man replied that he had not. The doctor then asked him to undress for a physical examination, and in the course of it he was astonished to find a very long scar running down the man's side. "What happened?" he asked. "I was gored by a bull", the man replied. "I thought you said you had never had a serious accident", said the doctor. "I didn't", the patient replied, "The bull did it on purpose."

[Mr. Scott.]

This is exactly how it is with the budget now before us. At first sight, people are apt to believe that it could not have been done on purpose, that it was an accident. Large groups of citizens have been waiting and waiting for it with high hopes. They have been told over and over again that the government was reviewing the position of the various social security measures, that a review was in progress. They have been bombarding us with letters asking when this review would be completed. Surely, they thought, when the budget comes down it will contain measures to help us until the review is completed and long-term decisions are made.

People were stunned to hear the minister make the budget speech he did. Here are some of the points the hon. gentleman made. I myself was startled to hear them expressed in one short passage of the budget presentation. All this happened in 1969: (1) the rate of economic growth declined, (2) unemployment increased, (3) housing starts were fewer, (4) interest rates rose, (5) consumer debt rose, (6) wheat sales declined, (7) the cost of living climbed steadily and (8) the problems of the cities grew apace.

• (5:50 p.m.)

The startling thing is that the minister forecast that all this would continue into 1970 and he did not limit the period of its continuance. The minister himself forecast that all these ills would continue to get worse in the period ahead. He knew what he was talking about, because the policies of the government have made certain that this state of affairs will continue in the way it has for the last two years. The budget is the result of a complete lack of leadership over the last two years on the part of the government; and the people of Canada who need help have been looking in vain to the government to give this leadership.

What does this kind of budget mean? What will we be faced with as a result of the budget? Put briefly—others of my colleagues have dealt with this question at greater length—it means that this government is leaving the private sector of the economy free to continue to expand and to make larger profits regardless of the value to the public of that expansion. At the same time, government services such as health and welfare, assistance to education, pollution control and many other very necessary and essential services of value to the public are going to be restricted. That is what the policies contained in the budget are designed to do.

In the second place, this budget will bring on increased unemployment. The Minister of Finance (Mr. Benson) said this was so in his budget speech and the most recent unemployment figures confirm it right up to the hilt. I do not know whether even the minister is prepared for the rapidity with which unemployment is increasing and is likely to increase. Here is the proof that unemployment is not an accident; that the minister's policies are designed for that purpose. I should like to refer to a clipping from the *Globe and Mail* that deals with some remarks made by the Minister of Finance outside the House. In addition to other unpleasant and unusal habits, the government has developed the habit of making its most important policy statements outside the House to the media without giving the members of the House the benefit of hearing them within these walls. Speaking to the Canadian Press on March 16, the Minister of Finance is reported to have said:

> Unemployment slightly higher than that of 1969 may be necessary "if we are really going to beat inflation"—
>
> His comment was made on a public affairs television program taped for broadcast yesterday.
>
> "I certainly hope the steps we are taking will mean that unemployment won't be concentrated as it has been in the past in certain areas of Canada," Mr. Benson said.
>
> "We are certainly taking all the steps we can to help areas in eastern Canada and eastern Quebec where unemployment is high."

The things the government has been doing to help—and I put the word "help" in quotes —are the very things that are causing unemployment and will continue to cause unemployment to increase in this country. I say this because the policies contained in the budget will mean increased unemployment. They will mean more lay-offs, just as there have been increasing lay-offs in the public service. They will mean lay-offs in private industry, too. This past week unemployed rubber workers in one of the big plants near Toronto visited Ottawa. People are being laid off in industry after industry, yet the government feels there is no responsibility on its shoulders do to do anything concrete or worth while to correct the situation. This is why unemployment is mounting.

In the third place, these policies mean that the cost of living will continue to go up and up and up. It was up 5 per cent last year. I have already told the House what this means in terms of facts and figures, cold statistics, but what does it mean to the lives of men and women across the country? I wish at some time in this House we could have a day when members were permitted to say nothing except to read the kind of letters they receive. I know other members get them; I get them all the time. I should just like to read two of these letters this afternoon. Both are from Vancouver. I should like to read an extract from the first one, dated March 12, from a veteran of the second world war. He says in part:

> On February 14th last, Mr. Les Benjamin and Mr. John Diefenbaker tried very hard to get Mr. Dubé, Minister for Veterans Affairs, to give some sort—any sort—of answer as when—if ever—the government is likely to implement at least a small part of the Woods report as far as needy ex-servicemen are concerned but met with complete and utter evasion!
>
> How cynical can some politicians get? How cynically disillusioned must any and every war veteran be! What faith in any politician's statements and promises can we place in them?? What sort of faith and belief in our governments can we pass on to our children and our grandchildren???

I have a much briefer letter from another veteran who resides in my riding. I received it the other day. He said: "As my member, you have a duty to get down to the House again and demand from the government to know when they are going to table the Woods report". He seems to feel that tabling the Woods report will be a step toward bringing about an increase in the pensions of veterans and their families.

Mr. Knowles (Winnipeg North Centre): Getting it implemented.

Mrs. MacInnis: Getting it implemented would. We have been receiving dozens and dozens of letters from people who are desperate. These are people who are the salt of the earth. They have devoted their lives to this country and they want to dedicate their children to this country, but all in vain. If it is in

order, Mr. Speaker, I should like to leave the reading of the second letter until after the dinner adjournment, as I see it is now six o'clock. May I call it six o'clock?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order, please. I understand the Minister of Energy, Mines and Resources (Mr. Greene) seeks leave to revert to motions for the purpose of making a statement. Does the minister have the consent of the House?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

THE CANADIAN ECONOMY

URANIUM INDUSTRY—REGULATIONS LIMITING FOREIGN OWNERSHIP

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I should like, pursuant to the Prime Minister's statement of March 2, to inform the House of the government's position with regard to ownership in the Canadian uranium industry. That position rests upon the special importance of this industry in relation to the national interest, as reflected, for example, in the Atomic Energy Control Act and in a number of statements of general policy of which the most recent was made in the House on June 19 of last year. In light of that special importance, the ownership and control of enterprises in Canada engaged in the extraction and processing of this vital mineral are matters of important concern to the national interest and to Canadians generally. For this reason we propose to limit, by regulation, the extent of ownership of uranium-producing enterprises in Canada by non-residents of Canada.

The regulations will apply to any uranium property or plant in Canada which the Atomic Energy Control Board may determine to be producing, or to have the capability of producing, a specified quantity of uranium oxide per annum. They will require that by a specified date following such a determination by the board the property or plant be owned legally and beneficially by a company incorporated in Canada.

The regulations will limit foreign ownership both in the aggregate and on the part of any individual or group of foreign investors. They will distinguish between existing properties of demonstrated productive capacity and those developed in future on the basis of exploration. Specifically, the regulations will set a limit of 33 per cent upon the aggregate foreign ownership of any uranium property of established productive capacity, and a limit of 10 per cent on the ownership of such a property which may be held by any one foreign investor or group of associated investors.

It is not our intention to limit the ownership of enterprises engaging in exploration, but when such exploration leads to the discovery of a commercially exploitable uranium ore body, the foreign ownership of the company bringing it into production will be limited to 33 per cent. In this case of a new mine, however, the regulations will allow the permissible 33 per cent of ownership to be held by the single foreign investor or group of associated investors which held it through the exploration and development phase.

With regard to existing mines, our regulations will be effective as from the date of the Prime Minister's statement on March 2, but will not be retroactive in the sense of requiring foreign interests then holding more of the ownership than the prescribed limits to divest themselves of those surplus holdings. However, any transaction which would bring either individual or aggregate foreign holdings above their prescribed limits, or if they are already above them would increase the amounts by which the limits are exceeded, will be precluded. Present foreign owners will be permitted to retain their existing holdings, but if they reduce them by sale to Canadians with a consequent reduction in the percentage of ownership in foreign hands, that reduced level of ownership will become the new permissible ceiling down to the prescribed limits of 10 per cent and 33 per cent.

Furthermore, we shall require, in the case of foreign holdings by an individual or group of associated investors amounting to 50 per cent of total ownership or higher, that while such holdings may be retained by their present owners, any transfer of them must be to Canadians only, down to the 33 per cent aggregate foreign ownership limit. Where individual holdings by foreign interests are now below 50 per cent, however, their trans-

fer to other foreign investors will be permitted.

• (8:10 p.m.)

A further point concerns foreign enterprises now engaged in uranium exploration which have not yet established the presence of commercially productive uranium deposits. Such enterprises will be given a certain period of time within which to establish the commercially productive capacity of their properties in order to qualify for the exemption from the ceilings which will be available to present foreign owners of existing mines; otherwise they will be regarded as new mines. Finally, the government may wish to bring forward special conditions applicable to enterprises in which one or more foreign governments may have a substantial interest.

In this statement I have sought to inform the House as promptly and as fully as possible of the criteria which the government will apply in this matter. The preparation of detailed regulations reflecting these criteria, in the course of which there will be consultation with interested parties, will go forward with all possible speed and we shall make the results known as soon as possible.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this is another occasion on which one is supposed to make an instant comment about something upon which the minister, hopefully, has reflected for some time. Let me just say for this evening that it has not yet really been made clear why the government should announce a particular policy with regard to uranium.

I think the House and the country are entitled to a more adequate explanation than has been given so that the question can be adequately judged in respect of why special regulations are required concerning uranium as distinct from other natural resources because, rightly or wrongly, it is generally assumed the government has other methods by which to ensure the regulation of uranium mining in Canada. Whatever differences of opinion there may be concerning whether there should be restrictions in respect of foreign ownership of resources in Canada, I do not think the government has yet made clear why special measures are taken with regard to uranium. The only explanation that has been available to any of us is that a transaction has taken place which provoked, or at least induced the government to interfere in a transfer that was proposed.

I think the government ought to give the country a more adequate explanation concerning the step that is being taken, not with regard to the control of uranium mines but with regard to the control of the companies mining uranium as distinct from the control of companies mining other minerals in Canada. Second, I thought the minister would have given some explanation tonight concerning why 33 per cent is the magic figure to be used in limiting the extent of foreign ownership of a company mining uranium in Canada. It is not obvious to me, for example, why 33 per cent should be the limit when generally speaking, as a matter of arithmetic, something over 50 per cent represents actual control and there may well be circumstances in which something less than 33 per cent could actually provide working control.

We all know there are large corporations in North America and in the world in which less than 33 per cent control of the shares actually gives working control for all practical purposes. So I would think that in the very near future the minister ought to give a more adequate explanation concerning why 33 per cent is the magic figure. On the one hand, it might be high enough to permit the defeat of the purpose the government has in mind; in other words, it might be high enough to permit people from outside the country obtaining practical control over a company. On the other hand, it may be restrictive in respect of enabling a Canadian corporation which has a 51 per cent interest obtaining sufficient equity participation to make possible the opening of a mine even though it does not involve control. The 33 per cent might be unnecessarily restrictive.

As of tonight there does not seem to be very much sense in this particular figure being chosen. These are about the only instantaneous remarks I should like to make, Mr. Speaker.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I too am somewhat uncertain why the minister chose to make this statement in the rather cryptic way it was made today. The whole issue of the government's concern about uranium leaves more questions unanswered than answered. I do not wish to argue about this. To begin with, however, I am sure there is a good reason for the government's move in this case. I am pleased that some action is being taken in this regard. I am somewhat unhappy that the government has not been more frank with us on this issue, because as

all of us know the government now has control over the export of uranium to an extent that it does not have over other industries. In many ways a better case could have been made for Canadian ownership of other industries rather than uranium.

I hope that if unanimous consent could be obtained for him to do so, the minister would fill in some of the details tonight since he has raised the question tonight. There are many questions in everyone's mind concerning why he has taken this extraordinary step. The only reason that comes to mind is that this measure would be a way to escape the extra-territorial conditions which might be imposed upon our industry if United States investors who would be subject to United States law came in at a time when the government might have in mind exporting uranium to a country of which the United States might disapprove. This is the only reason I can see for such a measure.

There does not seem to be any sense in it on the ground that the government does not have any control: the government obviously has control. I do not know what type of approach should be taken in this regard, but I should like the minister to be given an opportunity to answer tonight some of the questions which arise out of his statement, because it does not deal adequately with the problem.

I am disappointed that the minister did not see fit to provide us with a copy of his statement in advance. The members of the press gallery have copies of his statement, but Members of Parliament do not. This is a most serious matter and one in which the opposition is vitally concerned. We think the minister ought to take this House into his confidence and say something further. Although this probably is an unusual procedure, I believe it to be necessary. I think he should indicate the reason the government feels it should take such an extraordinary step. I hope there will be unanimous consent of the House to the minister being granted the right tonight to explain the situation.

• (8:20 p.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I was greatly astonished to hear this unexpected though important statement.

As the previous speakers, I was shocked that copies of this statement had been released to the press while opposition members were forgotten as usual. Tomorrow we will be able to read the minister's statement not in *Hansard,* since we will only receive it after the first sitting, but in the newspapers.

However, it would have been preferable to discuss briefly this government decision. I gather that the minister wanted to make this statement after the closing of the stock exchanges, so as to prevent speculation. But he might have trusted the opposition members and given them a copy of it.

The proposed measure designed to regulate uranium mines or production under foreign control does not seem to me to be a step in the right direction.

However, I was led to believe that the minister had left several doors open by allowing foreign interests to circumvent whatever regulations the minister or government wishes to apply.

I think we will have the opportunity of studying and analyzing that decision more thoroughly. We should therefore have the possibility of discussing this matter more fully with the minister in the very near future, perhaps before the House adjourns for the Easter recess.

[*English*]

Mr. Saltsman: I rise on a point of order, Mr. Speaker. I wonder whether you would ask the House for unanimous consent to allow the Minister of Energy, Mines and Resources (Mr. Greene) to elaborate on the statement.

Mr. Baldwin: We would be perfectly willing to agree to that, Mr. Speaker. I suggest, however, that we are now engaged in a debate and that this would be the proper forum for the minister to speak. If the minister wants to reply, that is fine. I would be willing to allow him the time which normally would be allotted to another member of his party, if he wants to speak. However, far be it from me to urge a minister of the Crown to speak.

An hon. Member: No reaction.

Another hon. Member: He is speechless.

Mr. Deputy Speaker: I am prepared to recognize the hon. member for Vancouver-Kingsway (Mrs. MacInnis) if the hon. lady wishes to speak now.

GOVERNMENT ORDERS

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. E. J. Benson (Minister of Finance) that this House approves in general the budgetary policy of the government, and the amendment thereto of Mr. Lambert (Edmonton West) (page 5051).

Mrs. MacInnis: Mr. Speaker, when the House adjourned at six o'clock I was about to read from a letter dated February 12 which I received from Vancouver. I want to read the letter because it is typical of so many that I have received from people on old age pension, from families of veterans, from people on low incomes with large families, and generally from people in difficult circumstances. The letter reads as follows:

> I'm now 75 years of age and have to live on the supplementary pension of between $110 to $111. The landlord or caretaker has been putting the rent up and up for a tiny room,—and now it's a case of having a place to sleep but almost nothing to eat!
>
> Have fought a heart condition and other ailments on my own for a long time—
>
> Over 50 years ago I came from Scotland—then returned to stay in London during the last world war. My wages or salary when I worked were poor—so try as I did I couldn't save but very, very little. I heard that we'd be getting more money—up to $150.

She is referring here to the budget.

> If this were so, I could manage very well indeed —but if it isn't, I thought I'd write the proper people in Scotland and see if it would be cheaper to spend the remaining years of my life there—
>
> I am not a businesswoman and the sight of a form fills me with terror! And how I detest having to write and ask for more—too many already do this—

This is the letter of a self-respecting person who has spent many of her years in Canada and who now is hesitant to ask for what is her right if the government were doing the proper thing, that is, seeing to it that her old age is spent comfortably. But the answer of the government to this is a deaf ear.

A few days after this letter was written my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) asked the government for the one hundredth time whether they would consider some emergency measure to aid the pensioners before many thousands of them are starved out of existence. The Prime Minister (Mr. Trudeau) sat silent and made no attempt to answer the question. Then my colleague asked if there would be any action on behalf of old age pensioners during this parliamentary session. He received the reply we have received so many times, that this matter would be dealt with as part of the over-all review of the social security program. This is what we get all the time.

There is nothing whatsoever in sight for the people in this country whose incomes have shrunk progressively as the cost of living has gone up, and the people in whose homes there is fear because of increasing unemployment and what it means to their young people and more especially to the breadwinner. What is the answer of the government? Again I should like to quote from the *Globe and Mail* of March 16, where the Minister of Finance is reported as having said the following quite clearly:

> This is a period when we need to sit tight for a few months and see what the results of actions we have taken will be.

It is extremely callous and cruel of this government to invite old ladies such as the one whom I quoted, and veterans such as the one who wrote to me, to sit tight for a few months and wait to see what happens.

Some hon. Members: Hear, hear!

Mrs. MacInnis: This is a sit tight budget, in the words of the minister himself. It is a budget that dooms to despair the dispossessed people of this country and encourages the process of despoiling them. Meanwhile, to take their minds off their misery the government has devised something else, that is, to continue with the shining farce of a Prime Minister like a glowing star in the firmament who can be watched by people who try to identify with him. It is an exciting spectacle, the government hopes, and one that will be durable.

It is exciting to see a Prime Minister who can divide his Christmas holiday between scuba diving in the West Indies and skiing in the Alps, and to hell with the people. It is exciting to watch a Prime Minister who can keep up all these indubitably important athletic events and show his great prowess leaping with both feet off the ground to astound the Eskimos and Indians and all other people wherever he goes, a Prime Minister who can spend his time girl-watching in the House of Commons gallery, mixing with the stars both

human and not so human, and taking the place of the Queen, the flag and whatever other symbols you like.

It would be funny if it were not so tragic. But it is not amusing when you consider that this is the government's substitute for real action. I notice the President of the Privy Council (Mr. Macdonald) is amused. He is convinced that the government has managed to pull the wool tightly over the eyes of the people so they will never be able to see that this shining image is a substitute for bread, butter, security, health care, jobs, training for jobs and all the other things that the people need.

I am here to tell the President of the Privy Council that I do not think the people are going to believe this forever. The mask is slipping already and people are able to see the hollowness and emptiness behind this government's policies. If it were not for patronage, the government would never make it stick; and if it were not for the publicity and propaganda that goes on, they would never make it stick either.

• (8:30 p.m.)

But after a while people will discover that bread and circuses are no substitute for the kind of life we ought to be able to have in Canada, with our modern technology and knowledge and with really genuine leadership policies. I know the government thinks that this is a very bright way of carrying on, that this is a really clever policy, but as for the just society—forget it! The Prime Minister himself said the other day that he was not using the term now, that it had become a cliché. I think the real reason he is not using the term is that he—he is undoubtedly an intelligent person—cannot even pretend to himself that he is heading at all in the direction of the just society. I think he knows only too well that what he is heading for could well be called a great many other things, but by any intelligent person it could not be named the just society.

Another of the government's ideas is: For goodness sake, don't let anyone take Parliament seriously. Members of the government are building up the age-old idea which went so well in France for a while under Louis XIV, the splendid Monarch of the Sun, that "l'État, c'est moi". That served him well for a while, but eventually the people decided they wanted no more of that. I say that contempt for Parliament and contempt for the people go together, and that we have had too much of both.

Now, Mr. Speaker, I am going to use the rest of my time to say what should be done in a constructive way, because although we have been emphasizing the ills of the government, the things the government is not doing, we also want to say what we think should be done by any government concerned with the well-being of people at this time. First of all, in this budget debate we tried very hard to have an amendment accepted that would exempt from income tax single persons earning less than $2,000 a year, and married people living on less than $4,000 a year. That is a pretty rough and ready determination of income tax exemption, but this is what we tried to do. We were crushed in that attempt by the overwhelming majority of government supporters whose hearts bleed for the people except when it is time to do something for them in a practical way. Well, that is out for now.

The second thing we tried to do in this Parliament was to get interim increases for those people who are below the poverty line and for those people on government pensions, old age pensions, veterans pensions and others, pending the result of the government's review of the social security programs. You see, Mr. Speaker, while all this wonderful efficiency is going on and the government is building up terribly intricate machinery to look into all these things, the cost of living is steadily climbing and what people have to live on is steadily shrinking. So in all justice, if it were heading for the just society the government would be giving interim increases to keep these people abreast of rises in the cost of living until such time as a proper social security program was developed. But there again, the government will not do that.

In the third place, Mr. Speaker, we have said that the budget should have forecast a guaranteed income in the near future. Very shortly after this session began I asked about a guaranteed income and the Prime Minister replied that the government was not satisfied that this was a realistic step. I would like to ask, realistic for whom? It may not be realistic for the government. Why in the world should members of the government bother about a guaranteed income? They have one until the next election. I would not care to say how long that guarantee will last when the next election is called, unless in the meantime they mend their ways considerably. But for people on low income, a guaranteed

income is the first step to making it possible for them to maintain even the standard of living that they have.

Certainly, Mr. Speaker, I admit that a guaranteed income is not the whole answer. People say that some of us in the New Democratic Party regard it as a panacea to cope with all the troubles of people on low income. We do not. Until we get what President Nixon says he is after, until we get people off relief and welfare rolls and on to payrolls, we will not really progress too far. But with a guaranteed income we will have made it possible for people to exist. When every welfare and social work agency in the country worth its salt is telling the government in no uncertain terms that a guaranteed income is a must, when even the Deputy Minister of the Department of National Health and Welfare in testimony before the Senate Committee on Poverty says that a guaranteed income is a must, surely the government ought to know whether a guaranteed income is a realistic step. I say members of the government do know, but they are not prepared to trim their priorities in other directions to make it possible.

We say that a guaranteed income is a must, and along with it there ought to be a guarantee that a person is able to keep it. When small increases are made to pensions, the first thing that happens—just as outlined in the letter from which I read—is that the landlord takes the raise in pension as fast as the poor people get it. Therefore, in addition to a guaranteed income there must be a guarantee that a person is able to keep it; there must be legislation which will prevent the landlord, the butcher, the baker, the candlestick maker and the government itself from taking it away. The present government has a very bad habit: when it gives a small raise in pensions—which it has done once or twice—it is in effect robbing Peter to pay Peter. It may give a little bit in pensions, but it will take that little bit away from the veterans allowance. That is not the way to do things. The government knows better than that.

Sometimes people think that the government could not be so hardhearted and that it makes these mistakes unintentionally. Believe me, Mr. Speaker, they are not mistakes. These things are done on purpose. They are done because the government does not care one fig for the low-income people. It regards them as surplus, as fit for the scrap pile and that is about all.

Another measure we want to see enacted would provide for guaranteed jobs and training for jobs. Yesterday I introduced an amending bill which, if adopted, would make it possible for married women, or single women if they are providing domestic service at home, to qualify for manpower retraining and the allowances that go with it. I see the minister shaking his head—I hope in agreement with the principle of the bill.

Mr. Benjamin: He talks a good fight.

Mrs. MacInnis: I know he talks a good fight, but I would like to see him come through with action. That is always the way with the government. They talk all the way; they don't act. It is always jam tomorrow but never jam today. I say it is time we got the jam today for the people who need it. Sure, there is jam for Members of Parliament, for Senators and people in highly-placed jobs, for highly-placed civil servants and the coteries surrounding the various ministers, and over $100,000 for the Prime Minister's own staff. There is money for that kind of thing, but there is no money for the people who need it. Any civilization which begins at the top, giving rises in income to people who have a fair degree of income and security, has no right to call itself a civilization.

Mr. Benjamin: Off with their heads!

Mrs. MacInnis: Yes, off with their heads! We have not even emerged from the jungle and we have no right to call ourselves a civilization.

Mr. McCleave: Nobody is doing that.

Mrs. MacInnis: Some people call it a civilization, but it seems to me that is an exaggeration; I think that is the best word to describe it. As a fifth step we want to see the implementation of a fair tax system, a system of taxation based strictly on ability to pay. I know that with respect to the white paper on reform of taxation we will probably end up with the Minister of Finance backing down a great deal under pressure. I will make a bet right now that he will back down in those areas of the white paper which concern people who already have big dividends and big incomes, because they are people able to mount big and powerful lobbies. We should go back to the principle that people should be taxed according to their ability to pay, no matter from where they get their income.

• (8:40 p.m.)

In the last place I would mention—this is No. 6—a guaranteed industry which goes with a guaranteed income. We cannot have one without the other. Guaranteed industry means stopping all this business of trying to seduce private industry to come in here, there and everywhere and start up enterprises thanks to government handouts and incentives, and then the government thinking it has done its job. What the government will have to learn, and the other public authorities, federal, provincial and municipal, is that where private industry cannot provide goods or services because a venture is not profitable, the government, the public authority, will have to step in and do it.

I shall conclude my remarks in a moment, Mr. Speaker. These are the things we should be doing. These things should be in the budget. But on the contrary, this budget means a do-nothing drift for the country; it means disappointment and disillusionment for the great majority of people, and deepening despair for thousands who can see no way out. We in this party have no choice but to oppose to the best of our ability this retreat from even the idea of a just society.

[*Translation*]

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I would like to thank the hon. member for Trois-Rivières (Mr. Mongrain) who dealt with problems very similar to those I will discuss tonight. He spoke of the textile industry, and of Air Canada, as did also several other members.

[*English*]

Mr. Speaker, I rise to take part in this debate through the courtesy of my colleagues, the hon. member for Halifax-East Hants (Mr. McCleave) and the hon. member for Dartmouth-Halifax East (Mr. Forrestall). The relative importance of the loss of industrial capacity as a result of changing defence policy as has been evidenced in Nova Scotia, particularly in Dartmouth, coupled with the fact that only one of us could speak, has persuaded them to let me have this place, and I thank them and their constituents.

Some hon. Members: Hear, hear!

Mr. Comeau: Had they spoken, I am sure they would have made observations with respect to defence matters, transportation, probably the Post Office and other important matters. Mr. Speaker, many developments have occurred recently which really make one wonder whether these are the results of a sensible policy of the government, whether politics are involved, or what is going on. I refer to recent policies of various departments which are widening, not narrowing, the gap between various regions of Canada. I will enumerate them later. The budget, which is the most recent of these announcements, certainly adds to this.

It is very clear that the budget speech delivered by the Minister of Finance (Mr. Benson), who was told to do so by the Prime Minister (Mr. Trudeau), will create further unemployment. What concerns me is that once again the government hits at the low-income groups; once again they hit the poorer people; once again they hit the least literate and the uneducated people; once again the Prime Minister hits at the rural people; once again the pensioners are getting a beating; once again the Prime Minister considers his just society just for the rich; once again the young people are forced to migrate to the cities, but now only to find that the prospects for prosperity and richness are not so rosy there either. This time our young and vigorous rural people go to the cities to become welfare recipients.

There is no problem with the rich, the well-to-do, the highly skilled and educated. However, it is interesting to note that even university graduates are facing difficulties. I could supply the House with specific examples, but will refrain from doing so. It is true that the Department of Regional Economic Expansion has been established. It is also true that it has helped many industries in various parts of Canada, and I thank the minister for what he has done. I would also add that we might be worse off had his department not made money available. I should say that the efforts of the minister and his department are being undermined by the efforts of his colleagues. They do not give a darn about unemployment, Mr. Speaker; they do not give a darn about rural Canada. They have been told to cut back by the Prime Minister.

Let me illustrate by giving specific cases. We have the case of the Postmaster General (Mr. Kierans). Mr. Speaker, I do not know what to say about him. He certainly has no concern for the people and no concern for postal services. Somebody remarked the other day that so-and-so had been the worst Postmaster General until this one came along. I am wondering what would have happened if this fellow had been elected Prime Minister. I

will not elaborate on that at present, though I have done so before.

Then we come to the Department of National Defence. This month Fairey Aviation is scheduled to be closed. Fortunately, I understand that negotiations are going on and the Dartmouth people might end up in a better position than previously as far as employment is concerned. Fairey Aviation is not a defence base, but the company is entirely dependent upon defence expenditures for survival. It employed over 400 people. The de-escalation of these expenditures is responsible for the situation in which this establishment now finds itself.

In another not unrelated area, I feel I should make some observations about the cutbacks in civilian employment within the Department of National Defence, again accentuated by the policy of the government. In this connection I am happy to have the minister's assurances that lay-offs that will have to take place as a result of the freeze of the defence budget will almost entirely be through natural attrition. However, it must be noted that if we bear our share of the forecast 10 per cent reduction by 1973, it will mean that the economy will have to get along on pensions as opposed to the working incomes of approximately 400 to 500 men in Nova Scotia. Some of this will be in my riding at Cornwallis. My warning is, "Don't turn the economy into a pension economy."

In order that hon. members may better understand the enormous impact on our economy that could result from the loss of industries dependent upon such activities, let me say that on the basis of the last completed survey, which I understand was in 1960, 44.7 per cent of household income in Nova Scotia resulted directly from federal expenditures, and 43.5 per cent of employment was directly attributable to federal expenditure. Any tampering with such a dependent economy has an obvious and immediate adverse effect. Now, where is the Department of Regional Economic Expansion? Where is the co-ordination between departments, if they are allowed to proceed in this way to create unemployment? Where is the Department of Regional Economic Expansion which is supposed to be the custodian of this type of activity?

Let us look at another area, transportation. To talk about an area I know best, the Maritimes, recently there have been two freight rate increases on the railways, and I understand another one is scheduled. We cannot begin to talk about reducing the economic gap without including transportation, Mr. Speaker. It is the key for Maritime exports to the rest of Canada. In addition to that I would include the harnessing of the Fundy tides. I believe there is a great future in that development.

• (8:50 p.m.)

On the subject of transportation, I cannot understand why we do not have some planning. Possibly there is too much planning and not enough action. Where are the fast trains and other forms of modern transportation? What is being done to encourage people not to drive their cars in the cities every day? What is being done about the problem of pollution? Why cannot there be improvements over what we have had in the past?

The government of Nova Scotia has acted to improve ferry service between Nova Scotia and New England. The new ferry service will be instituted this June. Normally the terminal facilities are provided by the Department of Transport, but the federal government has said they will not provide any more money to Nova Scotia for this type of project. Therefore, it was necessary for the government of Nova Scotia to obtain a loan. We are glad this is being done by that government even though these facilities are normally provided by the Department of Transport.

Why is the responsible department not protecting the rights of these designated areas? Why are there not improved transportation and tourist facilities? The transportation of goods must be improved. There is great potential in the tourst industry in Nova Scotia and it should be encouraged in every way possible. The ferry service to which I have made reference is one way in which the Department of Transport could have assisted. While on the subject of transportation, I wish to make a brief reference to Air Canada. I listened with interest when the hon. member for Trois-Rivières spoke about discontinuing air services in the city of Trois Rivières. Is Air Canada going to be allowed to discontinue services at a time when business is increasing? This question is of particular interest to my constituents.

I am glad to see the Minister of Fisheries and Forestry (Mr. Davis) here. The primary resource of the Atlantic area is fishing. However, the concern of this government is basically to reduce the number of fishermen. This is being done on both the east and west coasts. The government has allowed our

resources to be depleted. Every day there is discussion on our resources being depleted but nothing is done about it. This matter has not been brought to the attention of the United Nations or the international conference. This question should be studied under the international law of the sea. Rather than protect our rights, this government is allowing foreign fishermen to deplete our fishing resources. They have imposed licences and are limiting the number of fishermen. This could cause a blackmarket. However, I do not wish to deal with that subject this evening. It is a shame to see the way the government is pussyfooting around these matters.

The main problem with the Atlantic economy and the fishing industry is that the government fails to realize the potential in that industry. The rest of Canada has not been made aware of the potential of that industry and the money that could be derived from it. Every day the subject of wheat is discussed because the western wheat farmers have been able to create national concern. However, this has not been done in the fishing industry. With the correct policies something could be done about the potential of the Atlantic area. Why is the responsible department not protecting the rights of this industry?

I now wish to deal with a matter of particular concern to my constituency. I refer to the textile mill in Yarmouth which employs 500 people, the largest employer in my constituency. One would not think the closing of a plant in Toronto would affect a little town like Yarmouth, but 18 per cent of the production of the textile mill in Yarmouth was for the Dunlop industrial division in Toronto. In terms of employment, this affects 18 per cent of the employees of that mill. When this fact is coupled with the bleak picture in the Canadian textile industry, the results are astounding. There has been much talk about the textile industry in the past couple of years. I wish to quote from an article which appeared in yesterday's edition of the *Chronicle-Herald*. This article was written following an interview with the president of Cosmos Imperial Mills. It states:

> Cosmos Imperial Mills of Yarmouth will close unless the federal government acts immediately on a policy restricting textile imports from foreign countries, said company president E. D. James yesterday.
>
> He said in a telephone interview from Hamilton that 500 employees in Yarmouth would be out of work soon because the company could not continue operating at a loss.

I wish to emphasize the following paragraph:

> He said 50 per cent of the textile industry in Canada had been taken over by foreign imports. "In United States they complain because the government allows 12 per cent," he said.
>
> The European Economic Community restricted textile imports to only nine per cent of the total.
>
> "I don't advocate we stop imports but let's have a reasonable limit in view of all other countries of the world," he said.
>
> And the same import restrictions should apply to the electrical and rubber industries, he said.
>
> There were many men in Ottawa who thought that buying at the lowest price was always the best policy, he said. "But if no one makes money here, who can buy?"

I want to emphasize the words, "But if no one makes money here, who can buy?". If Canadians do not make money here, who will buy the textiles, rubber and electronic products that are imported? The article continues:

> He said the recently announced closing of Dunlop industrial division, Toronto, was a serious setback —for Cosmos operations in Yarmouth.
>
> Each year Cosmos sold between $750,000 and $1,000,000 worth of industrial hosing and belting to the Dunlop company.
>
> Unless some way could be found to bring imports of fully manufactured goods from low wage countries into proper balance, the Dunlop closing would be symptomatic of things to come in other industries, he said.

For seven years the textile industry has been asking for a government policy, yet every time the minister is questioned about it he smiles and says "Soon." Why can there not be a quota the same as other countries have?

Some hon. Members: Hear, hear!

Mr. Comeau: Why does Canada have to take a back seat in the fishing industry? Why do we have to take a back seat with regard to wheat? It should not be necessary to pay the farmers to stop growing wheat: this is ridiculous. Why do we have to take a back seat with regard to oil, textiles, electronic products and many other products?

An hon. Member: Somebody else has charge of the steering wheel.

• (9:00 p.m.)

Mr. Comeau: The hon. member says, "Somebody else has charge of the steering wheel". This makes sense. The economy of the country is not particularly good, as the budget speech has demonstrated, yet the atti-

tude of the government seems to be completely negative. They laugh it off. The ministers concerned are not even here. They take a back seat in external affairs.

On the subject of textiles, again, let us consider the Mexican deal. The hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) raised the question the other day because he is concerned about paper products. The Mexicans were exporting more textiles to this country than they were allowed, so the government decided to impose a surcharge. The Mexicans, in turn, placed restrictions on the import of paper products. So the decision was reversed; the Canadian government changed its mind and allowed the textile imports to continue.

The textile industry has been seeking a policy statement from the government for several years, without result. Each year the situation is allowed to get worse. One of these days the textile industry will have to be told either to go ahead or to close up. I wish the government would make this decision now so that we would know what to do. If it decides the factories will have to close their doors, the Canadian people will determine what attitude to take. Let me point out that these textile mills are located for the most part in designated areas. There are many in the province of Quebec. The hon. member for Saint-Hyacinthe (Mr. Ricard) has raised this matter frequently in this House. The Department of Regional Economic Expansion is supposed to be the watchdog of the economy as far as these areas are concerned. Why has it not advised the other departments what to do? Why has it not co-ordinated their activities? It is true the department has made money available to industry, but its beneficial activities are offset by those of other departments.

There is one other matter on which I should like to speak briefly. It concerns control over foreign ownership about which the Minister of Energy, Mines and Resources (Mr. Greene) had something to say earlier. Though I agree with some of the things the hon. gentleman said about the need to limit the entry of foreign capital, I certainly hope he and his friends do not go overboard in this direction. For those who come from Toronto, where there is plenty of industry established, it is easy to say: We do not want foreign capital here to provide employment. But anyone who comes from a province like Nova Scotia, for example, takes a more cautious view. In that province between 70 and 75 industries have been brought in by an aggressive government, and foreign capital made this possible. When one realizes that in November, in Nova Scotia, the unemployment rate was less than that of the country as a whole, it becomes apparent that the introduction of foreign capital has produced good results in some parts of the country. So I warn the hon. gentleman not to go overboard in this direction.

I will end by saying this: You can take the boy from the country, but you cannot take the country from the boy. Let us not force everyone to live in urban centres where people are faced with housing problems, transportation problems, pollution and high costs. It has been estimated that between 103,000 and 106,000 people left the Atlantic provinces between 1961 and 1966. What bothers me most is the age of the people who are leaving; it is the age group 20-24 which is making up most of the emigration figure. The government should not wait until the people have left before it acts. The time to act is not after the people have gone to the cities. Let us attempt to prevent some of this movement to the towns; let us try to plan our cities; let us try to plan a total Canada. We are a growing country and, surely, every part has some potential.

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I can only express profound regret that the spokesmen for the official opposition, who allegedly possess definitive answers to all the problems which afflict Canada, were so sadly unable to apply those solutions during the disastrous period when they governed Canada in late 1950s and early 1960s.

The right hon. gentleman from Prince Albert (Mr. Diefenbaker) spoke the other day, telling us how we should cure inflation and how we should reduce unemployment in Canada. In light of the right hon. gentleman's record as Prime Minister, that is something like an arsonist speaking on the subject of fire prevention.

An hon. Member: Oh, you are funny.

Mr. Mackasey: He is factual.

Mr. Perrault: I think the factual information which I hope to present will be illuminating. Tonight there is jubilation on the part of the official opposition about what they say are disastrous unemployment figures. What were the figures for the years when the right hon. gentleman's government held office? In 1958 the percentage of unemployment was running at 10.1. What is it in

Canada tonight? About 4.7. Here are the figures for the other years: 1959, 9.4 per cent; 1960, 9.6; 1961, 11.3; 1962, 9.1. In 1963, things changed because the Liberals came into power. Unemployment began to go down and the problem was beaten by the beginning of 1963, as it will be beaten again by this government. Let us have no lecture from the official opposition, remembering its monumental ineptitude when given the opportunity to reduce unemployment in Canada or to battle inflation.

The former Prime Minister from Prince Albert was not even accurate in his quotation about the just society. When was the term "just society" first used? The right hon. gentleman said it was first uttered by Mao, and his Tory friends said, "Isn't that awful? Communism!" Mr. Speaker, the term "just society" was first employed by the Chartists of England in May, 1838, and the expression which the right hon. gentleman condemned was spoken out in support of equal electoral areas, vote by ballot, annual Parliaments, payment of Members of Parliament and universal suffrage. It was not Mao who thought of it; it was part of the great British parliamentary process. The right hon. gentleman should know his history better. Thanks to Liberal governments in this country, the ideals set forth by the Chartists have come into being in Canada. Let us not distort history.

The right hon. gentleman said, in effect, "If you will just let us have power again, everything will be all right." That is what he said in January, 1959, on the floor of the House of Commons. On the subject of unemployment, he said, "I mention these things just to keep the record straight rather than have it befogged by extravagant statements made in extravagant language." Well, we have heard some extravagant language from the opposition in the past few days, but this is what the right hon. gentleman said, as reported at page 62 of *Hansard* for January 19, 1959:

• (9:10 p.m.)

I realize the situation and the seriousness of it. I realize the need of action being taken and I have pointed out the action that has been taken.

Action was taken all right; there was unemployment of 11.3 per cent.

It is one of those positions in which we find ourselves.

The government found itself in many positions in those days.

In the event that we place money into the stream and expand credit, there is an inflationary trend.

[Mr. Perrault.]

He did not possess that economic perspicacity the other night. He went on:

If we do not, we allow those who are unemployed to suffer. There is one of the major problems that economists have not been able to answer today, the unusual position with which we are faced.

Let the official opposition take the right hon. gentleman's words in 1959 to heart. The right hon. gentleman said that the situation required action on the part of all parties to solve the problem. The position is different now, is it not? There has been an unrelieved attack on the government at a time when there should be at least some degree of interparty unity in order to battle the problem that is facing this country.

Mr. Ricard: You should have been here in 1960.

Mr. Perrault: We have inflation in Canada, and it is small comfort to the victims of this inflation to be reminded that most of the world is confronted with precisely the same challenge as that facing Canadians. The latest available data shows inflation increases for various countries. The Canadian position has been set out and described as absolutely disastrous. One member of the official opposition said the other day that Canada stands humiliated in every part of the world, which is just irresponsible overstatement. Canada's reputation is as high or higher than it has ever been.

Mr. Hales: Not in the United States.

Mr. Perrault: I challenge that statement. The following are the figures for the percentage of inflation per year in other countries; France, 6¼ per cent; Japan, 6 per cent; United States, 5¾ per cent. With regard to the United Kingdom, we had a lecture in economics from our friends at the other end of the chamber today about how Socialism has all the answers to inflation and unemployment. In the U.K. the percentage is higher than ours, at 5¼ per cent. So we are not alone. This fact should not make us complacent. Indeed, it should inspire us to do better. Others are convinced that some form of fiscal or financial magic by the Canadian government can solve these problems overnight. Every night following budget night people turn on their television sets and listen to a recent graduate from one of the universities of Canada giving a definitive analysis of the budget. These people have all the answers.

I suggest that they do a little more research into some of the figures they use, because between 1968 and 1969 federal expenditures rose from $6.09 billion to $12.058 billion. Provincial-municipal expenditures rose during the same period from $4.317 billion to $13.734 billion. Between 1958 and 1968 there was an increase in federal government outlays of 98 per cent. Over the same period of time, expenditures by provincial governments and municipalities increased by 218 per cent. As a result, the share of total expenditures accounted for by the federal government in 1958, which was 58.6 per cent, declined sharply to a 1968 level of 46.7 per cent of total expenditures. This is said to be a spendthrift federal government with an insatiable greed for taxation moneys. The fact of the matter is that during recent years the federal government has done everything possible to channel much of this money back into the provinces, so much so that the percentage of total expenditures is dropping.

It should be noted as well that there is a large increase in federal expenditures under the heading "Transfers to other levels of government". Between 1958 and 1968, these expenditures increased from $663 million to $2.4 billion, an increase of nearly four times. So that the image of a federal government with an insatiable greed for new taxes is false. In fact, there has been almost a 12 per cent decrease in the federal share of total expenditures in a ten-year period.

I should like to mention two matters of concern to the people of my province, and I think to many other people in Canada. British Columbia takes second place to no province in Canada in the contribution which her sons and daughters have made to the armed forces. Many of them live in my constituency and I would be remiss in my responsibility as a member if I failed to bring once again their plight and the problems of veterans in all parts of Canada to the attention of this House.

The Woods report contained 148 separate and distinct recommendations. It is 1,500 pages in length. It is an important document which has been given serious study by members of the Veterans Affairs Committee, meeting on 30 or 40 occasions. Having heard from veterans organizations in all parts of Canada, having held public meetings and cross-examined many witnesses, the committee is about to report. It is my understanding that hearings will terminate next Tuesday, and then the committee's report will be written. I hope the report can be brought to the House before the end of April at the very latest. When the report is tabled, I would urge the government immediately to draft appropriate legislation to enact into law needed reforms.

Some areas are of special, critical importance. We must as a first priority give attention to the plight of the multiple and severely disabled. The entire review procedure needs strengthening and improving. There must be major reform in this area. After two wars that exacted such an awesome and terrible toll of Canadians, the veterans and their survivors were told that a grateful nation would always remember. Those words will be but a hollow and cruel mockery unless we as members are prepared to enact the reforms which our veterans have required for so many years.

Together with other members I am disappointed that we have in this budget no increased funds for our senior citizens. In recent months I have engaged in frequent conversations with senior citizens and have made price checks in retail stores both in Ottawa and in my own constituency of Burnaby-Seymour. It is a grim experience to talk with these senior citizens who are attempting to obtain the necessities of life out of meagre incomes which are being eroded by inflation. These are the people who built this country. They earned a dollar when it bought a dollar's worth of goods. Today they are the tragic and prime victims of an inflation which extends no special compassion or concession to them. I regret that they were not included in the minister's budget message and I hope they will not be forgotten for long. I hope that within a short period of time we will provide them with more assistance.

Surely in light of the inflation that has taken place in recent years, we should first of all upgrade senior citizen allowances to decent, liveable levels, and then attach these pensions to a special senior citizen cost of living index which will accurately reflect any changes which may occur in the living costs of the older people in our economy.

There are some features of the budget which are very commendable and have not been touched on by some speakers. The government proposals to extend by three years the existing fast write-off for water pollution control facilities, and to make similar depreciation rates available for facilities for reducing air pollution are good proposals. The fact that the line is being held on taxes is also

good. The restraint on commercial construction that was introduced on June 3, 1969, and the two-year deferral of capital cost allowances on new commercial buildings will be continued. I would caution the government to watch centres like greater Vancouver, for example, where the boom is not all that superheated. If there should be any slowdown there, I hope the government will move quickly during the next few weeks to make sure that the situation does not deteriorate in that and other areas across Canada.

Today we were given two lectures—what I am about to say now is the gist of my message this evening—one delivered by the former Premier of the province of Nova Scotia, now leader of Her Majesty's Loyal Opposition (Mr. Stanfield). I am sure all of us were grateful that he had time to come back from his across-Canada white paper chase to address his remarks to us.

Mr. Baldwin: This is beginning to hurt you now, isn't it?

Mr. Perrault: The leader of that party had no solutions, no answers, no constructive proposals to assist the nation at this time. It was all unrelieved doom, doom and disaster. Those who waited for one single word of hope were disappointed. The Leader of the Official Opposition has become, without doubt, Canada's number one itinerant crepe-draper, when in fact he has a responsibility to suggest alternatives to government policy.

• (9:20 p.m.)

Modern opposition requires something more than the concept held out 100 years ago, that is, to oppose, oppose and oppose. The opposition must propose alternatives. But, really, what could one expect from a leader who produced some of Canada's highest unemployment figures when he was Premier of Nova Scotia? This is what the figures were when he was building his career as leader of the government of Nova Scotia: in 1958 the unemployment figure was 11.2 per cent, in 1959 it was 11.1 per cent, in 1960, it was 10.6 per cent, in 1961 it was 12.1 per cent, and in 1962 it was 10.6 per cent.

This is the man who is lecturing us on the subject of how to control inflation and create jobs. The financial critic of the official opposition and his leader have condemned the budget surplus as being something evil and unnecessary, yet for the last 13 years the hon. gentleman from Nova Scotia and his successor have made a virtue of budgets which have been consistently in the black, through the assistance of the federal government. What is today a vice on the part of the federal government has for years been a mark of virtue when practiced by the provincial Tory government.

The Conservative leader has suddenly emerged from his cocoon as the zealous apostle of tax reform in Canada. He is now claiming to be the dashing white major in the campaign against the white paper, and he says he is for what he terms sensible tax reforms. While the heavy air of Ottawa may have altered his perspective, while the Premier of Nova Scotia the hon. gentleman made no move to rescind or even to reform what is regarded as one of the most unfair and most iniquitous taxes known on this side of the Atlantic, the disreputable Nova Scotia poll tax which enables municipalities in the province to impose a poll tax on persons who earn so much a year—in most municipalities the amount is $1,000, as my friend knows—but who do not pay property taxes.

During the hon. gentleman's tenure in Nova Scotia, as recently as two years ago this great tax reformer allowed Nova Scotians to be thrown into the jails of that province for poll tax arrears. Now he is the man who asks Canadians to have faith in his ability to lead them into the sunny uplands of a new and more equitable system of taxation. I think most Canadians are going to say, "No thank you." This is the man who condemns the budget and accuses this government of committing sins of ommission and commission in respect of the management of Canadian affairs. This is the gentleman who has issued a sacred call to Canadians to throw the white paper into outer darkness, despite the fact that the residents of his own province would benefit perhaps more than those of any other province from the white paper reforms.

I think the leader of that great, historical party is being unreasonable in his criticisms of this budget, and I think he and his followers know they are being unreasonable. Surely this is the time when political advantage should give way to a reasonable and responsible effort to determine and to implement those proposals which are best for Canada at a time like this.

We heard from another leader this afternoon, a person I respect as I do the Leader of the Official Opposition because both in their own way have made a significant contribution to Canadian political life. The NDP leader

described the unemployment rate as appalling and staggering. It is unsatisfactory, without doubt—we all feel that way.

I ask that leader whether in his view it is really responsible to use figures which have not been adjusted seasonally to overstate his position. He said there is an unemployment rate of 6½ per cent. The seasonally corrected rate is just over 4 per cent. Both figures are infinitely lower than the figure in his own province of Saskatchewan when he left that province in tatters in 1961. During the period of CCF government in Saskatchewan there was a mass exodus from that province, so much so that Saskatchewan lost seats after the last redistribution. If the CCF was able to evolve a precise and definitive answer to the problem of unemployment during its tenure of office, why did the people leave, why the drop in population? There were no entry restrictions and passports were not required; indeed, people were invited to come into the province.

In 1961, with the problem of unemployment, a serious factor in Saskatchewan, the national leader of the NDP in this House, then the Premier of Saskatchewan—I have a copy of his speech—could not bring himself to refer directly to the problem of unemployment in his province. There was not one word about the loss of jobs and opportunities, and not one word about the heartbreak to which he referred this afternoon; the heartbreak, he said, of the unemployed about which he spoke so passionately that some of us were actually moved when listening to him. The organization which officially supported the CCF in Saskatchewan had unkind words to say about this Premier, now the national leader of the NDP. This is what they said in 1961:

> So far the government of Saskatchewan has neither obtained the action from the federal government needed to increase unemployment let alone to create full employment, nor has it in the alternative requested the necessary legal authority with a view to creating badly needed jobs.

Their official report went on to say that Saskatchewan needed 10,000 new jobs annually to take care of the increasing labour force; however, only 4,000 new jobs were being provided. The result of not meeting this need for new jobs was migration out of the province at a rate of about 8,000 per year and additions to the number of unemployed. This must go down as one of the most scathing indictments ever levelled by a federation of labour. This was the report of the Saskatchewan Federation of Labour to the cabinet in 1961. It must be one of the worst indictments ever levelled by a labour organization in Canada.

Tonight we have been told that the NDP, the Socialist party, is heartbroken about unemployment. We need only review the record to find out exactly the extent of their compassion when they were given an opportunity to do something about it. Time and again we are reminded by this Socialist party that the Socialist party in Britain is the great, spiritual home of the NDP in this country. Do they want the Labour solution used in Britain? They have been coy during this entire debate about what they would do to fight inflation. Are they suggesting that we adopt the Labour, Socialist wage controls used in Britain? Do they believe the restrictions which that government attempted to place on the trade unions represented a proper move? Are they suggesting the kind of restrictions introduced by Barbara Castle? Is that the NDP solution? We want to know explicitly what their program is and how much it is going to cost.

I have before me a transcript of an NDP convention at which one of the NDP delegates stood up and said, "It is all right for our party to make all these promises, but how do we pay for them?" Do you know what happened to him? He was hooted down. Even in the report it says he was hooted down. One of the marks of a party which is able to govern is its sense of responsibility. That was not demonstrated this afternoon by the party to my far left. No one likes or wants unemployment. In the context of a free society the government of Canada is determined to meet and beat the problem of inflation instead of inviting an infinitely worse situation later for a longer period of time.

Today's policy challenges a free society to accept the responsibilities of freedom. It is a policy which asks for co-operation and restraint; a policy which says to management, "Restrict your profits," a policy which says to consumer, "Buy prudently and well," a policy which says to government, "Design your spending programs for the real needs of the people," a policy which says to the organized labour movement, "Do not set your wage goals beyond productivity, because if you do the fires of inflation will be fed and indeed your gains will be illusory." How is the doctrine of restraint really being preached by the leaders of the two major opposition parties in this House? Have they gone for the short yardage of immediate political advantage?

This is the time for the leaders of those parties and their followers to demonstrate that they are capable of governing, yet all of us have been disappointed with their shrill, narrow criticisms. Has one word of warning been delivered by the Leader of the Official Opposition to his friends on Bay Street and the business community, urging co-operation in this way? Has one word of caution or restraint been breathed by the NDP leader to the great trade union movement to show restraint? It was done by Harold Wilson in Britain, but it has yet to be done by the NDP in Canada.

• (9:30 p.m.)

What has been the opposition's attitude? One spokesman summed it up by saying, "It's not our responsibility to offer solutions; you're the government". It is their responsibility as well as ours, because inflation and unemployment afflict people of all parties. It is everyone's task to make sure that the battle is won. It is the responsibility of other levels of government to be more than carping, negative critics spending profligately on one hand and then accusing the federal government of irresponsibility. If the battle for more jobs and price stability is to be won, it will be won because enough Canadians of all parties believe Canada to be important enough for restraint to be shown and sacrifices to be made.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, it is always interesting to follow the hon. member from British Columbia who was sent into compulsory retirement by that province. We have another non-budget by a non-minister on behalf of a non-government. Actually, the budget has no effect whatsoever on direct revenues or expenditures. How can you call it a budget when it continues the identical tariff and tax situation already in effect? The only changes relate to consumer credit and similar non-budgetary matters which could have been achieved through a simple Order in Council. As a matter of fact, similar changes were brought into effect under a former Liberal government in 1946 by a simple radio announcement. So anaemic is the budget in fiscal terms that it leads to the conclusion that the minister simply bowed to the pressure for a financial statement, and when he made the statement he had nothing to say.

The budget does answer some questions. It shows the patent insincerity of the government's demands for spending curbs. The government is spending $13 billion while it tells industry and labour to retrench. The budget clearly shows that the federal government is the major contributor to inflationary pressure. There is no other single agency in the nation which has such enormous spending power and directs it into so many non-productive channels. By far the major part of federal spending is directly inflationary. Private industry spends in order to produce. The government is the most gigantic consumer in the nation.

The budget also answers the question about the government's sincerity on the question of tax reform. At the very moment when the government has produced a series of tax reform proposals in a white paper which has been in the public domain for some months, a budget appears in which not one single proposal of the white paper is embodied. This leads to the conclusion that the governement has repudiated its white paper tax reform proposals. It is a fact that the budget represents a rejection by the government of the government's white paper on taxation.

Under the circumstances, it is difficult to see how the government can stand behind the budget and the white paper. It must disown either the budget or the white paper. None of the suggested reforms are given recognizition in the budget, and one can only suggest the white paper is no longer to be taken seriously. The Minister of Finance (Mr. Benson) saw this difficulty and suggested there would perhaps be another budget in the fall. This stands to reason, since he can hardly say he produced a budget in the spring; he simply reissued last year's budget with a new cover. As the budget was coming out, the Dominion Bureau of Statistics reported a new increase in consumer prices. Obviously the government is not winning the war against inflation any more than it is winning the war against poverty.

All along the line this government's refusal to dissociate itself from academic abstractions and get down to the realities of Canada's problems has placed this country in the posture of a non-nation. While talking about the dangers of inflation the government calmly handed out a further $2 million to the Company of Young Canadians, an organization which countenanced revolutionary, subversive and violent activities among its membership. So far as we know, the same people are still running this Trojan Horse organization. The only conclusion one can draw is that somebody "up there" wants the Company of

Young Canadians very badly. No matter what the Company of Young Canadians does, it is apparently beyond criticism. Undoubtedly it has a function above and beyond that laid down in the terms of reference. What is the reason for the mysterious immunity which this completely useless organization enjoys? Why is it too hot to control? Why is it a sacred cow?

More and more policies laid down at Ottawa are reducing this country to the status of a non-nation. The Americans kindly take us aside and tell us which parts of the Canadian north they intend to take over. They produce reports saying Canadians want to sell water to the United States. Nothing could be further from the truth. Not one responsible Canadian has gone on record in favour of selling one drop of water to the United States. The solution in respect of the Canadian Arctic is simple. The Canadian Arctic is Canadian. The sooner this government so informs the people of the United States, the better. The Canadian Arctic is as much Canadian territory whether it be land, ice or water, as New York harbour is United States territory.

The United States has as much claim to Canadian territorial waters in the Arctic as it has to territorial waters in the Soviet Arctic, and I do not see them advancing that argument. There must be a reason. Somebody had better point out to the United States authorities in Washington—apparently this government cannot do it—that United States territory stops at the Canadian border and does not leap-frog the Canadian nation and come down again in the Arctic islands. A Canadian presence must be established in the Arctic and it must take the form of an immediate doubling of the number of Canadian military bases in the Arctic. That should not be hard; there are only two there now.

This government sat in total numbness, doing absolutely nothing while the United States turned off the tap on Canadian oil imports in the United States. Oil is one of the biggest stakes in the game of international power politics. Oil explains the presence of Soviet Russia in the Middle East. Russia is not in the least attracted by the justice of the Arab cause; it is attracted by Arab oil. Oil and natural gas explain the interest of the United States in the Canadian Arctic. There is no other reason. At the same time as they are asking our help to go into the Arctic, the Americans are shutting out Canadian oil. Even this government should be able to put two and two together and come up with a convincing argument for a new United States oil policy. The United States is up to the old game of trying to get the golden egg with one hand and strangle the goose with the other.

I shall not go into a detailed discussion of this budget because it all went into *Hansard* when the minister brought down last year's budget. Anyone who wants to know the reaction to this budget has only to get *Hansard* and read what was said when the last budget came down. There is no change. It is the same budget. The only change is that the situation is a little worse all around; that is all. We have more inflation, more poverty, less national development and more wasteful expenditure. Apart from those few points, the situation is unchanged.

I want to ask the Minister of Finance two questions. In view of the strong argument in the white paper for raising exemptions, why did he not take the opportunity in this budget to raise exemptions? I also ask, in view of the large surplus he is predicting why did he not see fit to pass on tax relief to Canadians in the form of a tax reduction for the income tax payer? People in this country are entitled to tax relief. When one considers that Canadians are at this moment overtaxed, overcharged and underserved, one might ask what right the minister has to keep a surplus for himself. Surely it could have been passed on in the form of tax relief, at least to those in the lower income brackets.

The time has come for a reduction of federal expenditures and income tax relief to the overtaxed Canadian taxpayer. The western farmer, whose income has been reduced by 23 per cent in the past 18 months, due largely to the incompetence of this government and its lack of policy, is entitled to tax relief. One of the most disturbing things about the government is its apparent obliviousness to anything that is not neatly laid down in a task force report or government white paper. Let me say to the government that the world is not made up of task forces and white papers. It is a real world, with real problems, and the government is strikingly oblivious to these problems.

We have daily reports from the United States, particularly the New York area, of a tragically high death rate among children because of the use of narcotics. Two years ago from the same area we had similar reports about the high incidence of marijuana usage. There is no question in the mind of any intelligent person that the use of one type

of narcotic predisposes psychologically and physiologically the use of other narcotics. Narcotics users, particularly among the young, are not likely to be too particular about the type of narcotic when they are in search of the euphoria which narcotics provide. Yet this government has declined to announce policy to deal with what is rapidly becoming the most serious menace with which our society has to contend. We are an open society and we are therefore susceptible to the winds of change, the currents of social evolution and revolution sweeping the world. We are particularly susceptible to the reverberations of change taking place in our neighbour to the south.

The United States today is a society under attack. It is under attack from within. Its institutions, its authority, its freedom and its laws are being systematically undermined and destroyed by those whose mission is not the reform of society, not the overturning of society alone but the destruction of America itself. I do not think that is an exaggeration, because those who believe these things have put themselves on record as wanting America destroyed. We in Canada cannot escape these problems, but so far as this government is concerned they might as well be taking place on the moon. The government is oblivious to social change and disruption. We are particularly vulnerable because we are an open society. In the Soviet Union there is no drug problem because drug peddlers are shot. Secondly, no one can afford to buy drugs. In the Soviet Union there is no problem of revolutionary radicals because revolution is frowned upon. Those who last fall paraded in Red Square on behalf of imprisoned intellectuals were allowed to parade exactly 14 minutes. They are now in Siberia.

Some of the people who in the name of Marxism and Maoism have unloosed bloody riots in America should attempt to organize a protest in some of the countries where Marxism and Maoism are in effect. Let them try to organize public protests in Moscow, Peking or Cuba. Does anyone think there is no oppression in those countries? Does anyone think there is no oppression in Czechoslovakia, Hungary or Poland? The Chicago trial which has become the target of all the professional do-gooders in Canada and the United States was a model of propriety, an extravagant exercise in liberty and license compared with any trial ever held at any time in any Communist-dominated country, and yet the professional apologists criticize it in the name of Marxism.

[Mr. Ritchie.]

• (9:40 p.m.)

On Sunday, March 15, at ten o'clock in the morning CBC radio staged a long, critical attack on the conduct of the trial in Chicago by Judge Hoffman. He was not of course referred to as Judge Hoffman but as Julius Hoffman, in order to undermine the respect listeners might have for the judiciary. They interviewed by telephone persons connected with the defendants who were allowed to use Canadian network facilities to attack the procedures of an American court. They quoted selected excerpts from the Bantam Book publication of the trial transcript which includes also a scurrilous attack on a judge who was attempting to do his duty under great difficulties.

One wonders why the Canadian taxpayer should be footing the bill for the dissemination of this kind of propaganda on the CBC. It was pure propaganda because only one side of the question was given. Not one word was said in defence of Judge Hoffman or his court. It may be that there is no defence of Judge Hoffman's conduct of the trial. The CBC is not in a position to know that. It is significant that if there was a defence, no one who could have given it was asked to be on that program. Secondly, and most significantly, the only question is whether the defendants had a fair trial, and that is not a question for the CBC to determine, particularly when it concerns a court proceeding in another country: it is a question for an appeal court.

The program made much of the alleged harshness with which defence counsel were treated by Judge Hoffman. Yet anyone who followed those proceedings knows that from the beginning of that trial the defendants, who are in each case professional agitators in their late twenties and thirties—one is in his fifties—went out of their way to disrupt the court, to hurl abuse at the judge and to mock at the very institution of justice. In that they were aided and abetted by their lawyers.

This is a tactic, with which we are all too familiar, which shows contempt for the institutions of democracy, yet these people are now being made heroes in the press and on the CBC. The tactics of disruption have been applied and are being applied in our courts deliberately to undermine. Canadian courts have followed the very commendable procedure of simply ejecting the disrupters.

I do not intend to dwell in great detail on this matter, but I deal with it because it raises fundamental problems in the protection of our institution and certainly it raises in a striking fashion the question of the responsibility of the media. As far as the CBC is concerned, there is no question that it acts with an absence of responsibility. Recently we had the National Film Board producing, at the taxpayer's expense, a full-length feature film starring one of those on trial in Chicago for organizing a large-scale, bloody riot at the Democratic Party convention. Why should Canadians pay the shot for making a hero of Abbie Hoffman, a professional revolutionary in his thirties posing as a leader of rebellious youth?

Those people who are *persona non grata* in the United States, who have broken the laws of that country, who are under indictment, are coddled and pampered by government institutions in Canada. One of the spokesmen for the defendants in the Chicago trial interviewed by the CBC took pride in the systematic disruption of courtroom proceedings in that country by stating that it was a political trial and that the defendants were right in treating it as a political trial.

The same charge has been made about a recent court proceeding in Canada. You do not have political trials in a democracy; people are tried for breaking the law. The laws are made by the elected representatives, and the suggestion that they should not apply to a hardcore band of revolutionaries is simply fascism. They, too, must be subject to the laws. If the laws are wrong, they can be changed by political action. Those who try to change them by violence should no longer be tolerated in our society.

Mr. Speaker: Order, please. I regret to have to interrupt the hon. member, but since it is nine forty-five o'clock it is my duty, pursuant to Standing Order 60 (6), to interrupt the proceedings and put forthwith the question on the amendment now before the House. Is it the pleasure of the House to adopt the amendment? All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Division

And more than five members having risen:

The House divided on the amendment (Mr. Lambert, Edmonton West) which was negatived on the following division:

• (9:50 p.m.)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Barnett
Bell
Benjamin
Bigg
Burton
Code
Comeau
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas (Nanaimo-Cowichan-The Islands)
Gauthier
Gilbert
Godin
Gundlock
Hales
Harding
Hees
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Marshall
Mather
Monteith
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Nielsen
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rose
Saltsman
Scott
Simpson
Southam
Stanfield
Tétrault
Thomson (Battleford-Kindersley)
Winch
Woolliams—67.

NAYS

Messrs:

Allmand
Anderson
Badanai
Barrett
Béchard
Beer
Benson
Blair
Borrie
Boulanger
Breau
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
Dubé
Émard
Éthier
Forest
Forget
Francis
Gillespie
Goode
Gray
Greene

Division

Groos
Guay (St. Boniface)
Haidasz
Hellyer
Hopkins
Hymmen
Isabelle
Jerome
Kaplan
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacGuigan
Mackasey
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mongrain
Morison
Murphy
Noël
O'Connell
Olson
Otto
Ouellet
Penner
Perrault
Pilon
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Serré
Sharp
Smith (Northumberland-Miramichi)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Weatherhead
Whelan
Whicher
Whiting—109.

Mr. Speaker: I declare the amendment lost.

At 10.10 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, March 20, 1970

The House met at 11 a.m.

MISCELLANEOUS ESTIMATES

PROCEDURAL IMPLICATIONS OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Speaker: Order. May I be permitted to refer at this time to the fourth report of the Standing Committee on Miscellaneous Estimates which appears in yesterday's *Votes and Proceedings* and is reported at page 615. The Chair has looked at this report, and I have to inform the House that I have serious misgivings as to its procedural implications. It has procedural implications not only because it appears to go beyond the terms of the royal recommendation but also because it might complicate things next week in view of the timetable for supply proceedings.

I would think that the House Leaders may want to consult in this regard. I will be in touch with them so that some decision may be reached on whether there may be some way by which this report can be considered by the House or amended, according to the wish of hon. members.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I comment very briefly. I had this thought in mind, and I realize that when we get into supplementary estimates items of this kind can create many problems. I am not going to go into detail now, but I do feel that discussion might be resumed later. On behalf of our party I believe I can indicate that, if the government is willing to make certain approaches with regard to waivers of some of the Standing Orders, then in effect any defect may be cured. However, I think the matter should be discussed on the floor of the House, and so there will be no repetition I shall defer my remarks till either later today or Monday.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Fourth and fifth reports of Standing Committee on External Affairs and National Defence—Mr. Wahn.

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

21774—56

INFORMATION CANADA

APPOINTMENT OF DIRECTOR

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, pursuant to section 2, of Standing Order 41 I wish to lay upon the table a copy, in each official language, of a public announcement which I will be making immediately to the effect that it is the government's intention to appoint as the first director of Information Canada, effective April 1 next, Mr. Jean-Louis Gagnon, distinguished Canadian journalist.

SUPREME COURT OF CANADA

APPOINTMENT OF CHIEF JUSTICE AND PUISNE JUDGE

Hon. G. J. McIlraith (Acting Prime Minister): Mr. Speaker, I have great pleasure in announcing on behalf of the Prime Minister, who is absent in Winnipeg, the appointment of the Honourable Gérald Fauteux, Puisne Judge of the Supreme Court of Canada, to be Chief Justice of Canada, succeeding the Right Honourable John Robert Cartwright who will cease to hold office on the occasion of his seventy-fifth birthday, Monday, March 23.

• (11:10 a.m.)

Hon. members will understand that it is only a long and respected tradition that restrains me from speaking as I would wish in this place in high praise of the retiring Chief Justice. Until such time as Chief Justice Cartwright completes his active duty on the bench, I feel it is perhaps inappropriate for me to make the kind of comment I would wish to make on the outstanding contribution he has made to his court and to Canada during his tenure as Chief Justice.

Some hon. Members: Hear, hear.

Mr. McIlraith: I may say, however, Mr. Speaker, that at this very hour during Chief Justice Cartwright's final appearance on the bench as the Chief Justice of Canada my colleague the Minister of Justice is leading the ceremonies of tribute before the Supreme Court in acknowledgement of his services to the people of Canada.

I am glad to say that the new Chief Justice has already enjoyed a long and honourable judicial career, having been first appointed as

a Puisne Judge of the Superior Court for the district of Montreal on April 1, 1947. He was appointed to the Supreme Court of Canada on December 22, 1949. We wish him well in the high office which he now assumes.

On behalf of my colleague, the Minister of Justice, I also wish to announce the appointment of the Honourable Bora Laskin, now a judge of the Court of Appeal of Ontario, to be a Puisne Judge of the Supreme Court of Canada, filling the vacancy created by the retirement of Chief Justice Cartwright from that court.

Some hon. Members: Hear, hear.

TRANSPORT AND COMMUNICATIONS

AUTHORIZATION FOR STANDING COMMITTEE TO ADJOURN FROM PLACE TO PLACE WITHIN CANADA

On the order: Government notices of motions:

March 18, 1970—The President of the Privy Council: That the Standing Committee on Transport and Communications be empowered, during its consideration of the subject-matter of ground transportation at airports, to adjourn from place to place within Canada.

Mr. Speaker: Pursuant to Section 2 of Standing Order 21 this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders at the next sitting of the House.

ORAL QUESTION PERIOD

TAXATION

WHITE PAPER ON REFORM—PROTEST COUPONS—ALLEGED CLOSING OF MAIL BOX OF COLIN BROWN

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Postmaster General and the Prime Minister I direct my question to the Minister of Finance. Is it a fact that the government has directed that the Ottawa mail box of Colin Brown, a London insurance agent who has attacked the federal white paper on proposed taxation, shall be closed in so far as the coupons are concerned to which the minister has taken such strong objection? Is he aware of the fact that if the letters or coupons are directed to members they are delivered but unless they are they are returned to the senders when there are no names?

[Mr. McIlraith.]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, all I know about it is what I read in an Ottawa paper yesterday. To my knowledge members of the government as such have nothing to do with this. I will check with the Postmaster General but certainly I have no knowledge beyond what I read in the paper yesterday.

Mr. Diefenbaker: I am sure, then, that the minister would agree that if this is being done it would be a shocking mistake and a denial of the rights—

An hon. Member: If!

Mr. Diefenbaker: —of every individual in Canada and would indicate a power-hungry government.

THE CANADIAN ECONOMY

URANIUM INDUSTRY—SALE OF SHARES IN DENISON MINES—FOREIGN OWNERSHIP REGULATIONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I direct a question to the Minister of Energy, Mines and Resources concerning the statement by Mr. Steve Roman, president of Denison Mines, that he intends to sell his shares in spite of the statement which the minister made last evening. Has the minister any comment to make by which he can assure the people of Canada that the government intends to carry out the obligation, which the minister undertook last night, to see that any uranium operation does not have a greater foreign ownership than 33 per cent? What steps does the minister intend to take to make sure that any transfer of shares does not violate the proposal which the minister placed before the House last night?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr Speaker, as the hon. member knows from the statement, the methods whereby the enforcement of the government's decision will be achieved are to be the subject matter of regulations which will be disclosed as soon as we have fully found the methods, made up our minds in this regard and also have discussed the matter with the securities exchanges and so on. There is no question but that the intent of the government in this regard can and will be carried out, and any potential purchaser who does not qualify as a Canadian in accordance with the definition I gave last night would purchase entirely at his own risk.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. The minister spoke of regulations. May I ask him whether he intends to introduce specific legislation to implement the policy outlined last night or whether there is some other act under which regulations will be made, and, if so, what that act will be?

Mr. Greene: Well, the statement reads as follows:

> The preparation of detailed regulations reflecting these criteria, in the course of which there will be consultation with interested parties, will go forward with all possible speed, and we shall make the results known as soon as possible.

We have not yet determined whether it should be done entirely under the authority of the Atomic Energy Control Act, under which we have very broad powers, or whether some new or special legislation or regulations will be required. As soon as a decision is made it will be announced in the proper manner.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister whether any thought was given by the government to the possibility of Eldorado, the government Crown corporation, acquiring the shares of Denison Mines?

Mr. Greene: Well, Mr. Speaker, that is a possibility which may be worthy of consideration but to date there is no such thought in mind in respect of this announcement. If such action were to be taken it has not been decided upon at this time.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary, Mr. Speaker. Could the minister state very briefly why the figure of 33 per cent was chosen as the limit? Is this a purely arbitrary figure pulled out of a hat or is there some particular reason for the 33 per cent figure?

Mr. Greene: I do not think there is any particular magic or wisdom from the mountain involved in the 33 per cent figure, but in respect of other institutions such as banks and finance companies I believe the figure is 25 per cent and it was determined that in a higher risk type of investment such as mining it might be advantageous to the country to have a greater incentive for foreign investment than in respect of financial institutions and thence the figure is higher than 25 per cent. The 33 per cent figure was deemed to be an applicable one.

Mr. Stanfield: Would the minister be prepared to agree that for all practical purposes corporations frequently are effectively controlled with less than 33 per cent of the shares?

Mr. Greene: That is possible, but with the rules as they are we think it highly improbable that any foreign investor, who would then be at the mercy of a Canadian takeover, as 67 per per cent of the shares are held by Canadians, would be likely to embark upon a financial adventure which might prove so risky. So we feel in this case that the 33 per cent will adequately ensure Canadian control.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, is the minister aware that the chairman of Denison has just completed a press conference in Toronto in which he stated that because of the government's policy it would probably be necessary to close the mine for three or four years affecting 1,000 jobs, and because of the importance of keeping Canada's largest uranium mine open is the government actively pursuing a policy of trying to help Denison find a Canadian buyer for the shares of the chairman of Denison?

Mr. Greene: Mr. Speaker, the president of Denison is perfectly free to hold such press conferences as he sees fit. With respect to the employment of the men and the continuity of operations, certainly under existing programs, or other programs if they are required, we will consider such an eventuality if and when it occurs.

With respect to helping him to find a buyer, now that the rules are made and investors know exactly who may or may not qualify, I think that the question of a buyer or of a sale should probably be left to the entrepreneurs, to the private sector, where it properly belongs.

Mr. Speaker: The hon. member for Algoma.

Mr. Hees: I have a supplementary question, Mr. Speaker. Then I take it that it would be government policy—

Mr. Speaker: Order, please. The Chair has recognized for the moment the hon. member for Algoma.

Mr. Maurice Foster (Algoma): I should like to ask the minister whether he will ensure that the interests of the workers will be considered in any agreements or any arrangements which are made with Denison Mines?

Mr. Greene: We do not contemplate any arrangements with Denison Mines at present, but certainly in any governmental action the well-being, employment and concern of the workers will have the highest priority.

Mr. Max Saltsman (Waterloo): I should like to ask the minister whether he intends to apply the same regulations to the other energy industries like coal and oil?

Mr. Greene: There is no decision in that regard at present. I think the Prime Minister has made it manifest that the government is working very actively on an over-all policy decision in regard to foreign ownership of industrial and resource assets in Canada. When that decision is made and the announcement forthcoming, this question will be specifically answered.

Mr. Hees: I have a further supplementary question, Mr. Speaker. I take it from the minister's answer to my last question that if Denison is closed down by the decision of the chairman, it would be quite all right with the government, and that the extra 1,000 people laid off will simply add to the government's policy of increasing unemployment at this time?

Mr. Speaker: Order, please.

Mr. Baldwin: This is the war on inflation!

Mr. Foster: I would like to ask the minister, in view of Mr. Roman's statement this morning that there is a lack of funds, whether the minister would consider extending the stockpiling program, of which Denison has made the most use, beyond the date of June 30?

Mr. Greene: In the event of a close-down, or possible close-down, we would have to meet that eventuality if it arose and consider the various alternatives that might be available to the government. But that bridge has not been crossed yet.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker. In view of the uncertainty caused by the white paper and the announcement with regard to Denison Mines, I should like to ask the minister whether he will assure the country now that these regulations or special legislation which he has mentioned today will not apply to the petroleum industry of western Canada which at present has to suffer under the quotas imposed by the United States, a subject matter which the minister recently discussed in the House?

[Mr. Foster.]

Mr. Greene: I am not able to give the assurance that the hon. member requests in that, as I have stated, the Prime Minister has announced the fact that the government is reviewing the entire question of foreign ownership. I am quite certain that when the decision is made it will be announced as promptly as possible in order that the industry and entrepreneurs and investors may know the government's policy in this regard.

Mr. Woolliams: I have a further supplementary question, Mr. Speaker. Would the minister be prepared to make a definite statement prior to the Easter vacation in view of the effect that this is having on business generally as well as on the stock market in Canada?

Mr. Greene: I am in no position to make such an announcement, as I have stated, and I believe that the stock market, while it has its ups and downs, has not been deleteriously affected by the government's policy in this respect.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Is the right hon. member for Prince Albert seeking the floor for a supplementary question?

Right Hon. J. G. Diefenbaker (Prince Albert): Yes, Mr. Speaker. It has to do with the province of Saskatchewan where tremendous developments in uranium production are expected. An American corporation has spent a great deal of money in Saskatchewan in the Woolaston Lake area and there is a distinct possibility of tremendous developments there. Since some $70 million in expenditures will, it is hoped, be made, will the decision that has been made in connection with Denison Mines apply to this company which has spent a couple of years in serious development and is now about to be in a position to launch one of the greatest mining developments in our province, where such development is necessary because potash and wheat are virtually unsaleable? Will the minister give reconsideration to those industries that have spent their money under the law as it was and never expected the changes to be made that have been made?

Mr. Greene: Mr. Speaker, the situation that the right hon. gentleman has drawn to the attention of the House is one that the government had in mind when we declared in the statement:

A further point concerns foreign enterprises now engaged in uranium exploration which have not yet established the presence of commercially pro-

ductive uranium deposits. Such enterprises will be given a certain period of time within which to establish the commercially productive capacity of their properties in order to qualify for the exemption from the ceilings which will be available to present foreign owners of existing mines—

That was the exact situation we had in mind in that exemption.

Mr. Diefenbaker: I thank the minister for that, and I then ask him what period of time will be given? What is the anticipated time? I am sure that uncertainty is not desirable on the part of the government in this regard. How many months or how many years?

Mr. Greene: Mr. Speaker, there is no specific time decided upon, in order to give the Atomic Energy Control Board some flexibility in this regard. This is one of the areas of regulation to which I referred earlier and the regulations will be made in the near future, but certainly the Atomic Energy Control Board which will administer these regulations generally, according to our present thinking, will be happy to discuss the situation with any particular developer to assure that there will be no prejudice to such developer by reason of any retroactive effect of these rules.

Mr. Saltsman: Mr. Speaker—

Mr. Speaker: Order, please. I suggest to hon. members that we should go on to another subject, but if the House will agree the Chair will recognize the hon. member for Waterloo and the hon. member for Algoma for a supplementary question, and then go on to the next questioner.

Mr. Saltsman: Thank you, Mr. Speaker. In view of the cryptic nature of the minister's statement last night and the importance of that statement, will the minister seek time today to explain the government's reasons for bringing these regulations into force?

Mr. Greene: Mr. Speaker, I think that both the Prime Minister and other government spokesmen in this area have made manifest the reasons for the fact that a decision had to be made very quickly on this matter. A sale was pending of Canada's greatest uranium resource containing something like 50 per cent of proven reserves. That is the reason we had to act very quickly in the Canadian interest, and I think that is quite well known to the Canadian public.

Mr. Foster: Mr. Speaker, my question for the minister is: in view of the statement this morning by Mr. Roman that he is going ahead with his sale to American interests, does the minister expect to introduce emergency legislation on this matter? As the second part of my question, can the minister assure the industry that the Canadian stockpile will not be put on the general market until some time later, perhaps after 1975 when the general market has improved?

Mr. Greene: Mr. Speaker, in respect of the sale of the stockpile, there is no government decision as to when to sell, but certainly the experience to date has been that we do not interfere unfairly with the market by dumping the stockpile at a time when this would hurt the natural market. With regard to what we would do in the eventuality of a sale which contradicts the decision of the government, then of course we will take any action that is necessary to assure that these rules are carried out.

[*Translation*]

INDUSTRY

TEXTILES—ANNOUNCEMENT OF NEW GOVERNMENT POLICY

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

In view of the fact that we received every day calls for help from officials of the textile industry, several of the plants being about to close down, would the minister tell the House what action is contemplated to assist them?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am exerting an all-out effort, Mr. Speaker, to develop a textile policy, and I am to start this afternoon on a series of meetings with those concerned.

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT INCREASE—EFFECT OF PROPOSED CONSUMER CREDIT CURBS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question. I sought some information on this subject yesterday without success when he was not in the House so I would like to obtain the information today. In light of the most recent unemployment figures and in view of the fact that the minister has already recognized that his consumer credit proposals

will further slow down the economy and therefore create further unemployment, does the minister still intend to go ahead with his proposals to control consumer credit?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I indicated our intentions in my budget speech.

Mr. Stanfield: Mr. Speaker, I have a supplementary question. Did the minister have an estimate made of the probable increase in unemployment that would result from these consumer credit regulations? Was such an estimate made and, if so, what was the estimate?

Mr. Benson: Mr. Speaker, we had estimates of the over-all probable levels of unemployment which are forecast. The consumer credit controls, as I indicated, would not affect, we estimate, more than one per cent of credit sales and to that extent would not have, in our opinion, a serious effect on the unemployment situation.

Mr. Stanfield: Mr. Speaker, would the minister not agree, when unemployment has reached the figures it has now, that any further increase is serious? Is the minister telling the House that he has not really had an estimate made as to the effects on unemployment of this proposal or, if he has had such an estimate made, that he is not prepared to give it to the House? Is this what he is saying?

Mr. Benson: Mr. Speaker, what I am saying is that I do not think the consumer credit item per se will have a serious effect on unemployment.

POLLUTION

SECOND VOYAGE OF "MANHATTAN"—POSSIBLE DISCHARGE OF OIL—USE OF U.S. ICEBREAKERS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. He is not on the roster to be present today and is not here, but neither is the acting minister nor the second acting minister so perhaps I had better direct my question to the Acting Prime Minister and he can distribute it where appropriate. What contingency plans have been made by the government to deal with any discharge of oil by the *Manhattan* during her second voyage through the Canadian Arctic?

[Mr. Stanfield.]

Mr. Woolliams: They sent the Prime Minister up there.

Hon. G. J. McIlraith (Acting Prime Minister): Mr. Speaker, the Minister of Transport has made many statements in the House on this subject and the related aspects of the trip. It is my understanding that he had advised the House he would have further information on the precise question asked by the hon. member.

Mr. Nesbitt: Mr. Speaker, I naturally cannot get into a controversy with the Acting Prime Minister at this time, but I asked the question in the first place because the Minister of Transport has given information on other matters but not on that point. However, I would like to put a supplementary, if I may. If for any reason Canadian icebreakers do not accompany the *Manhattan,* will the government permit the tanker to proceed through the Canadian Arctic with the assistance of the United States icebreakers?

Mr. McIlraith: Mr. Speaker, I would be very glad to have an answer to the question brought forward.

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. In light of the statement made by the Prime Minister in a radio interview this morning that he was not aware of the extent of Canadian Arctic waters, would the Acting Prime Minister call this to his attention and say that the House is very anxious to know what the Canadian government claims as being Canadian Arctic waters?

Mr. Speaker: Order, please. The hon member for Surrey.

FINANCE

SUGGESTED REMOVAL OF SALES TAX ON MARGARINE

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question which I want to ask the Minister of Finance. A few weeks ago in answer to a question the minister indicated he was giving consideration to the many requests of consumer groups and from the industry for the removal of the 12 per cent federal sales tax on margarine. Has a decision been made on that point and, if not, when can it be expected?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, at the time of the budget a decision was made to make no tax changes.

SOCIAL SECURITY

MONTREAL—DELIVERY OF OLD AGE PENSION CHEQUES

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of National Health and Welfare. Considering the uncertain postal situation in Montreal—

Some hon. Members: Oh, oh!

An hon. Member: You finally got the message.

Another hon. Member: When did you find out about it?

Mr. Allmand: —would the department consider an alternative method of distributing old age security cheques at the end of the month in order to guarantee that these are received by pensioners on the proper date? I ask this question today because there are only ten days left until the end of the month and we will be in recess when that date comes.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to assure the hon. member that I will be glad to bring this suggestion to the attention of the Minister of National Health and Welfare.

[*Later:*]

[*Translation*]

MONTREAL—DELIVERY OF ALLOWANCE CHEQUES

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of National Health and Welfare.

Being very concerned about people who are expecting welfare cheques at month's end, I should like to ask the minister whether he has thought of asking the 24 members from the Island of Montreal to pass these cheques from door to door during the Easter recess?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): It has already been done. You are too late.

[*English*]

POST OFFICE

MONTREAL POSTAL DISPUTE—TRANSFER OF WORKERS' ACQUIRED RIGHTS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the distinguished Acting Prime Minister concerning the very serious dispute in the city just mentioned by the hon. member for Notre-Dame-de-Grâce regarding the right of job security for the workers of Lapalme and the very important matter of the commissioner's inquiry. Can the Acting Prime Minister advise if the Postmaster General was declaring government policy when at the Empire Club last night he is reported as saying that until "the transfer of acquired rights of workers was authorized by legislation such rights could not be transferred?"

Hon. G. J. McIlraith (Acting Prime Minister): Mr. Speaker, I have not had the benefit of seeing the report of the speech, but I will draw the hon. member's question to the attention of the Prime Minister on Monday.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my supplementary question to the distinguished Acting Prime Minister is whether the Postmaster General would be better advised not to comment on the situation when Mr. Carl Goldenberg is trying his best to deal with it?

Some hon. Members: Hear, hear?

Mr. McIlraith: Mr. Speaker, I would be very glad to look into that suggestion.

FINANCE

TARIFF BOARD DECISION ON UNDERGROUND VENTILATING EQUIPMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is either for the Minister of Industry, Trade and Commerce or the Minister of National Revenue, whichever gentleman would like to respond. In view of the recent decision by the Tariff Board that ventilating equipment used underground does not qualify for exemption from federal sales tax, and in view of the fact that such equipment is used underground, in coal mines, to eliminate the danger of methane gas explosions, thus preventing accidents and loss of life, would the minister consider having this decision by the Tariff Board reviewed? Mr. Speaker, I refer here to the recent decision regarding operations in British Columbia.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have made note of the suggestion.

Mr. Muir (Cape Breton-The Sydneys): A supplementary question, Mr. Speaker. May I ask the minister if he would be kind enough

to report back to the house, and in this instance would he not think that the Tariff Board in this case is really splitting hairs?

FISHERIES

INTRODUCTION OF AMENDMENTS TO ACT

Mr. Thomas S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Fisheries and Foresty, Mr. Speaker, arising out of the fact that the Canada water bill is now before a Standing Committee of the House for intensive consideration. Can the minister indicate when he will be bringing in suggested amendments to the Fisheries Act in order that we may have an opportunity, at least at the first reading stage, to assess to what extent his proposals will plug the loophole in his colleague's bill?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the proposed amendment to the Fisheries Act has been cleared by the government and the bill will be introduced perhaps after the Easter recess. I can assure the hon. member that the Fisheries Act amendments and the Canada Water Act are on all fours.

[*Translation*]

POWER

MINAS BASIN—FINANCING OF TIDAL POWER PROJECT BY BANK OF CANADA

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources.

In view of the fact that financiers have refused to carry out the project of operating a tidal power plant in the Bay of Fundy, does the minister intend to seek other means of financing the project and particularly using the funds of the Bank of Canada to accomplish what is physically possible?

Mr. Speaker: I feel that the hon. member's interesting suggestion could be placed on the order paper.

[*English*]

TAXATION

WHITE PAPER ON REFORM—TELEVISION STATEMENT BY MINISTER—REQUEST FOR DETAILS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As the minister said in a television interview on the CBC news on Wednesday night that there are a number of things in the white paper on tax reform that he does not like, would he take the first opportunity on motions to enumerate what those things are and what he specifically intends to do about them?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I personally do not like to have to pay more taxes but am willing to pay them in order to help take some other people off the tax rolls.

Mr. Heath Macquarrie (Hillsborough): A supplementary question, Mr. Speaker. Now that the Postmaster General has revealed himself as being a co-author of the white paper, does that minister's recent absence from the House stem from the fact that the Minister of Finance has asked him to undertake some revising?

Mr. Benson: No, Mr. Speaker, not really.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask a supplementary question of a sort that has been asked before. Is the minister now prepared to state what the changes are so that members of the public who are preparing briefs and the two committees making studies will know what they are supposed to be studying? Let us have a statement.

Mr. Benson: Mr. Speaker, the two committees know what they are studying. They are studying the white paper, and it is up to them to make recommendations.

Mr. Woolliams: A further supplementary question, Mr. Speaker. I do not ask this to be argumentative; the committees know what they are studying. Will the minister heed the suggestion that it would be better and have more merit if the committees were to study what the minister intends to implement and not withdraw?

Mr. Benson: No, Mr. Speaker, I do not think so. These committees are studying proposals.

Mr. Stanfield: An exercise in futility.

Mr. Benson: I will not dictate to the committee as to what it should do, and I do not think my hon. friend should suggest that.

Mr. Diefenbaker: But the minister makes the ultimate decision.

[*Later:*]

Mr. J. P. Nowlan (Annapolis Valley): My question is supplementary to one directed by

the hon. member for Calgary North to the Minister of Finance. Since the minister has clearly indicated that he does not intend to dictate to either of the two committees studying the tax proposals, may I ask whether the hon. gentleman has suggested a date by which the committees should complete their studies in order that the subject matter could then come back to the House and the legislation proceed, bearing in mind the target date of January 1, 1971, which the minister has announced.

Mr. Benson: I have not, Mr. Speaker.

Mr. Nowlan: Then we and the chairmen of the respective committees may understand that the period during which these important proposals can be studied is not limited by the suggestion of the minister that the legislation should proceed by January 1, 1971, but that the date will depend on when the two committees report on the proposals before them?

Mr. Benson: I indicated earlier what our target date would be for implementing tax reform proposals. The committees know that date. But I am not in a position to dictate to committees—

Mr. Stanfield: That's right. Better leave it at that. You are not in a position.

Mr. Benson: At least I have a position for a while.

Mr. Hees: There is still the next election.

OIL

STATEMENT BY U.S. OFFICIAL ON SECURITY OF SUPPLY IN WESTERN CANADA

Mr. P. M. Mahoney (Calgary South): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. It arises out of a statement of Mr. Philip H. Trezise, United States Assistant Secretary of State for Economic Affairs, relating to the recent imposition of import quotas with respect to Canadian oil. Does the Canadian government share the view that one of the substantive reasons for such action is a lack of security of oil supplies in western Canada?

Mr. Speaker: Order, please. It seems to me that the question is not phrased properly. Perhaps the hon. member might like to reword it. He is inviting the minister to express an academic opinion. Perhaps the question might be reworded.

Mr. Mahoney: Mr. Speaker, does the Canadian government feel that there is a shortage of emergency supplies of oil in western Canada?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the National Energy Board is the custodian of the public interest in that regard, and if at any time if feels or believes on the basis of the scientific information available that there is such a shortage of supply it can, of course, cut off exports and divert the available supply and pipeline capacity to Canadian needs.

Mr. Mahoney: A supplementary question, Mr. Speaker. Was the Assistant Secretary of State for Economic Affairs of the United States correct in stating that the United States government anticipated Canadian government action vis-à-vis this situation?

Mr. Speaker: Order, please. The question as asked in not in order.

ENERGY

URANIUM—EFFECT OF REPORT OF SENATE COMMITTEE ON SCIENCE POLICY

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Has the minister yet been apprised of the contents of the report of the Special Committee of the Senate on Science Policy, which is purported to bear directly on the operations of Atomic Energy of Canada Limited and which may further affect the uranium industry?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): No, Mr. Speaker, I have not been apprised of the report. I have seen press statements from time to time, but that is all, with regard to the work of that august body.

FISHERIES

DAMAGE TO SEAL HERDS AND FISHING RESOURCES BY CHEDABUCTO BAY OIL POLLUTION—DATE OF SEAL HUNT

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Minister of Fisheries and Forestry. What is the extent of the damage caused to the great seal herds off the east coast as a consequence of the oil pollution in Chedabucto Bay, Nova Scotia? The second part of my question relates

to the same subject. To what extent has this pollution damaged the general fishing resources of the Atlantic coast?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I do not believe any damage has been done to the herds by the oil spill from the *Arrow* but some damage has already been reported by our people in respect of other elements of the fishery, more particularly in Nova Scotia.

Mr. Walter C. Carter (St. John's West): A supplementary question, Mr. Speaker. Has the minister received representations, on behalf of the captains and crew members of two sealing ships, to advance the date of the seal hunt on the front to enable them to avail themselves of the herds of seals in which they now find themselves?

Mr. Davis: Mr. Speaker, not to my knowledge. I have received a representation from an hon. member opposite who is now home in Newfoundland, and the answer to his request to advance the date was a flat no.

Mr. McGrath: A supplementary question, Mr. Speaker. Can the minister tell the House the extent of the damage caused to the fishery off the coast of Nova Scotia and who will be liable for the losses of the fishermen?

Mr. Davis: Mr. Speaker, the Department of Fisheries and Forestry has officers in the area endeavouring to determine the extent of the damage. We shall be costing this and presenting the bill in the right place. We will be backing the fishermen, in other words, in their claims.

Mr. Carter: A supplementary question, Mr. Speaker. Will the minister not undertake to make a flying visit to the ice fields and talk to the sealers and get first-hand information on the effect these crazy, stupid regulations are having on the seal fishery?

NATURAL RESOURCES

PUBLIC OWNERSHIP OF INDUSTRIES

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Given the crucial importance of the resource industry to Canada's future as a viable, economically independent nation, will the minister assure the House that in considering the problem of foreign ownership the government will give very serious consideration to utilizing the concept of public ownership in this area?

[Mr. McGrath.]

Mr. Speaker: Order, please. The hon. member is making a general recommendation and submission to the government which he must assume will be taken into account.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. With all respect, I was not making a representation but asking the minister if the government has given consideration to utilizing the concept of public ownership in the field of resources?

Mr. Speaker: Order, please. I must interpret the hon. member's question as a representation.

FINANCE

ADOPTION OF POLICIES TO LOWER INTEREST RATES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Minister of Finance which I believe to be very important. Now that United States authorities have indicated they are clearly moving in the direction of adopting policies to lower interest rates, is it the intention of the government of Canada to adopt any such policies that will lower interest rates in Canada?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, statements on monetary policy are ordinarily made by the Governor of the Bank of Canada.

Mr. Stanfield: A supplementary question, Mr. Speaker. I am perfectly well aware that such statements on monetary policy are usually made through the Governor of the Bank of Canada but I am asking the minister whether he, as Minister of Finance, intends to adopt in Canada, presumably in association with the Bank of Canada, any policy comparable to that recently announced in the United States?

Mr. Benson: Mr. Speaker, I think my hon. friend will have to be specific as to the United States policies he is talking about. Although the Minister of Finance has power to direct the Governor of the Bank of Canada with respect to monetary policy, the government has not done so. We have never found it necessary to do this because we have agreed with his policy.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Am I to assume then, that the Minister of Finance is quite happy to see the present high interest rates continue in Canada?

Mr. Benson: No, Mr. Speaker, I am very unhappy.

POWER

APPLICATION TO FLOOD PART OF SKAGIT VALLEY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Has he or has his office received any application from the government of British Columbia to this date to flood 6,000 acres of the Skagit Valley in southern British Columbia?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I am not sure of the status of this matter that has been drawn to my attention. Whether there is a specific request from that government to this effect I am not quite certain and therefore I will take the hon. member's question as notice.

Mr. Rose: May I ask a supplementary question, Mr. Speaker, which the minister could take as notice as well. Can he assure the House that if this matter comes before this department a great deal of study will be given to all possible implications of this project and that the government's approval for the project will not be automatic?

[*Translation*]

NATIONAL DEFENCE

VAL D'OR—USE OF TRAILERS AS HOUSING

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I wish to put a question to the Minister of National Defence.

Is he aware of the fact that the Val-d'Or military base is supposed soon to receive from 100 to 125 trailers to be used as living quarters by families of armed forces members?

Mr. Speaker: The question might be considered at the time of adjournment or the hon. member may prefer to put it on the order paper.

[*English*]

LABOUR CONDITIONS

UNEMPLOYED AUTO WORKERS—FURTHER HEARING AS TO TAB BENEFITS

Mr. Norman A. Cafik (Ontario): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Will the unemployed auto workers in the Oshawa area be given a further hearing with respect to TAB benefits by the board which makes decisions regarding eligibility under this program?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, but only if new facts can be brought out.

NATIONAL PARKS

SUPREME COURT DECISION UPHOLDING VALIDITY OF PERPETUAL LEASES

Mr. Allen B. Sulatycky (Rocky Mountain): I have a question for the Minister of Indian Affairs and Northern Development. In his absence I will direct it in a gentler form to his Parliamentary Secretary. In light of the Supreme Court of Canada's decision announced just a few minutes before the question period began, upholding the validity of the perpetual leases in the national parks of Canada, can the holders of those leases now be given an assurance that the department will recognize them, and, further, that leaseholders who gave up valid perpetual leases under duress and compulsion from the department will have their leases reinstated and, further, that the Crown will reimburse the people of Waterton Lake, Banff and Jasper for the extremely heavy expense to which they were unnecessarily put?

Some hon. Members: Hear, hear.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): As the hon. member has mentioned, the decision of the Supreme Court was released less than an hour ago. I am sure the minister would like to read the reasons for judgment and consider them, and that in due course he will deal with the questions raised by my hon. friend.

Mr. Eldon M. Woolliams (Calgary North): Would the Parliamentary Secretary, after he has read the decision, be prepared to withdraw the bill setting up a Crown corporation and doing what the Supreme Court of Canada says this government and the department cannot do?

Mr. Honey: As I have indicated to the hon. member for Rocky Mountain, the minister will read the reasons for judgment and consider them. If I may express an opinion, I think there is no relationship between the decision of the Supreme Court and the legislation now before the House.

Inquiries of the Ministry

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

FINANCE

TARIFF TREATMENT ACCORDED TO MICHELIN RUBBER COMPANY—SIMILAR CONCESSIONS TO CANADIAN TIRE COMPANIES

Mr. Max Saltsman (Waterloo): I should like to direct my question to the Minister of Industry, Trade and Commerce, Mr. Speaker. It concerns the government's policy of allowing the Michelin Tire Company of France to put duty-free Michelin tires on the Canadian market, and the serious effect this will have on the sale of tires made in Canada. I wish to ask the minister whether concessions similar to those offered to Michelin in connection with locating in the Maritimes were also offered to existing Canadian tire companies? If so, what was the response of those companies? If such concessions were not offered, why were they not offered?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): We study each of these cases on its own merits. This is what was done in the Michelin case. I think the decision was a good one.

Mr. Saltsman: Regardless of the merits of the decision affecting Michelin, would the minister consider calling together representatives of the industry to see whether some policy could be worked out in this situation, bearing in mind the serious difficulties which are now facing tire manufacturers?

Mr. Pepin: I will do that, Mr. Speaker. I think there is a question of specialization involved here. I understand that the type of tire provided by Michelin is not produced by others in Canada.

INDUSTRY

REORGANIZATION OF E.M.I. COSSOR COMPANY

Mr. Robert McCleave (Halifax-East Hants): I have a question for the Minister of Industry, Trade and Commerce, of which, oddly enough, he has given me notice. Is there any news concerning E.M.I. Cossor to report this morning?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): With respect to E.M.I., the company which was in trouble, I am pleased to announce that with the good co-operation of the various federal departments, the Department of Regional Economic Expansion in particular, and my own, and with the collaboration of a provincial entity namely General Estates, the company is now being reinstituted, reorganized under different ownership.

[Mr. Honey.]

Some hon. Members: Hear, hear.

SHIPBUILDING

COMPLETION OF ROBERTSON INQUIRY

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the Minister of Industry, Trade and Commerce before he goes out to look after another industry which is closing down. Can he tell us when the report on shipbuilding is likely to be ready, bearing in mind the distressed state of that industry, particularly in Saint John?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): It was to have reached me by March 31 but Commodore Robertson has asked for an extension of one month. I have agreed to this, and I hope to be in a position to report by May.

Mr. Speaker: Order. The question period expired some moments ago but perhaps the hon. member for Oshawa-Whitby might be allowed to ask a question in view of the difficulty he encountered with one previously.

LABOUR CONDITIONS

UNEMPLOYED AUTO WORKERS—FURTHER HEARING AS TO TAB BENEFITS

Mr. J. Edward Broadbent (Oshawa-Whitby): Thank you for your consideration, Mr. Speaker. I have a question for the Minister of Industry, Trade and Commerce arising from his answer to the hon. member for Ontario in which he indicated that workers might reapply for TAB benefits after their original applications had been turned down, if new facts were brought forward. Can the minister tell us why this procedure was not made available in two recent cases to workers in Oshawa?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Because the new facts were not considered to be new by the Board, Mr. Speaker.

• (12 noon)

GOVERNMENT ORDERS

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

MEASURE TO SUPPLEMENT PENSIONS

The House proceeded to the consideration of Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain Acts which provide for the payment of those pensions, as reported (without amendment) from the Standing Committee of Health, Welfare and Social Affairs.

Mr. Macdonald: Mr. Speaker, there have been discussions in connection with the motions which a number of hon. members have set down, and since I have to attend a meeting in Ottawa this afternoon which would make it difficult for me to be present when motion No. 10 is put to the House, I wonder whether the House would agree to putting it first in order that I might be present.

Mr. Speaker: Before that is done, the hon. member might give the Chair an opportunity to explain the result of a consideration which has been given to the marshalling and disposal of these report stage motions which now have to be considered.

Hon. members will notice there are 16 notices of motions proposing to amend Bill C-194. For the purpose of consideration of the proposed motions, it is suggested that when motion numbered 1 is proposed by the Chair, debate be permitted on motions numbered 1 to 8 inclusive. When that debate is concluded, a division on motion numbered 1 will be deferred.

Motions numbered 2 to 8 inclusive will then be put separately from the Chair, without debate or amendment. For the purpose of voting thereon, the said motions will be grouped and set down for a single division thereon. That division also will be deferred.

When motion numbered 9 is proposed, it is suggested that debate also be permitted at that stage in relation to the proposed motion numbered 10. When that debate is concluded, it is suggested that the recorded division on motion numbered 9, if requested, be deferred.

At this stage, motion number 10 will be put from the Chair, but without debate or amendment. The question thereon will be forthwith deferred.

When motion numbered 11 has been proposed by the Chair, it is suggested that consideration of motions numbered 12 to 16 also be permitted at that stage. When that debate is concluded, motions numbered 12 to 16 inclusive would then be put separately from the Chair without debate. All of the said motions will then be grouped and disposed of in one recorded division. In all, there might be five recorded divisions as follows: (a) on motion No. 1; (b) another on motions Nos. 2 to 8 inclusive; (c) one on motion No. 9; (d) one on motion No. 10; and (e) a further division on motions Nos. 11 to 16 inclusive.

As hon. members will judge, it was a little difficult to try to organize the consideration of these several motions. I hope that these suggestions will be acceptable to hon. members, but all of what I have said will be subject to the suggestion just made by the hon. President of the Privy Council, the Government House Leader, that he might be allowed to make a statement on his amendment at the start of the debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I find your proposal eminently fair and satisfactory, and I am sure it will commend itself to the House as being logical. I should like to make a suggestion with respect to the request that has been made by the President of the Privy Council (Mr. Macdonald). I am prepared to agree that he be accommodated so that he can present the amendment in his name this morning, but there are two considerations that I think we have to look at. First of all, we do not want to add to the number of debates; I take it from Your Honour's suggestion that there will be three debates. Also, it would be impossible, as I see it, to take a vote on motion No. 10 until a decision has been made on motion No. 9.

Therefore, Mr. Speaker, I suggest, if the President of the Privy Council is agreeable and Your Honour regards it as fair, that the President of the Privy Council be permitted now to move his motion No. 10 and to make his remarks thereon, but that other remarks be deferred until we have the combined debate on motions 9 and 10 with, of course, the vote being deferred until later. In other words, I suggest we give precedence to the President of the Privy Council to make his

statement on motion No. 10, and that we then go back and take the order Your Honour has suggested from the Chair.

Mr. Speaker: If it is agreeable to the House, it will be understood that we will first put the motion standing in the name of the President of the Privy Council and allow him to make his statement, following which we will return to motion No. 1 standing in the name of the hon. member for Winnipeg North Centre.

Hon. Donald S. Macdonald (President of the Privy Council) moved:

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by striking out lines 32 and 33 on page 17 and substituting the following:

"Widow is dead, eight-tenths of the basic allowance." and by striking out line 10 on page 18 and substituting the following:

"in approximately equal instalments commencing immediately after the death of the member or former member, and in the case of an allowance payable to the widow shall continue during her natural life but shall cease on her remarriage."

He said: Mr. Speaker, first of all may I express my appreciation to the House for its courtesy in permitting me to take precedence to present these two amendments. Both amendments arose out of the committee discussion on the bill and from questioning that took place at the time.

As the House will notice, there are two amendments: the first to extend the benefits that would be payable to the orphaned children of a deceased Member of Parliament; the second deals with the situation of the widow of a deceased Member of Parliament who subsequently remarries. I think the first will probably be found to be generally acceptable; the second, I agree, perhaps may be the subject of debate.

The bill, as originally presented to the House, by clause 21 sought to amend section 23 of the Members of Parliament Retirement Allowances Act. At page 17, that clause provided that in the event of the children of a deceased Member of Parliament being orphaned—that is to say, in the event that the other spouse either predeceased the Member of Parliament or surviving him died after she and the children had commenced to draw benefits—then the children of a deceased Member of Parliament would be entitled to share in the surviving allowance to the extent of two-tenths each, up to a maximum of six-tenths.

[Mr. Knowles (Winnipeg North Centre.]

The change proposed retains the two-tenths formula per child, but raises the maximum to eight-tenths—that is to say, 80 per cent of the deceased member's pension rather than 60 per cent. This change results from discussion in the committee which indicated that the lower 60 per cent level was not one that was observed in other government of Canada pensions, for example the Public Service Superannuation Act where the maximum was set at 80 per cent. That is the first of the changes. Because it would involve a further demand on the consolidated revenue fund, a recommendation was sought from His Excellency, and hon. members will note that, pursuant to Standing Order 75 (6), the recommendation is printed immediately after motion No. 10.

The second amendment resulted really from a drafting oversight. The previous Members of Parliament Retirement Allowances Act section contained the provision that when a widow or, in a conceivable case, the widower of a deceased member who became entitled to a surviving benefit remarried, then the benefit would cease to be payable. As I say, there was a drafting oversight in the bill and this restriction was not included as far as Members of Parliament were concerned, though it was included with regard to senators. My information is that most other government of Canada pension plans—for example, the Public Service Superannuation Act—contain this stipulation.

It may well be argued that there should not be this restriction on a surviving spouse who is drawing a benefit and remarries. Some legitimate arguments, I think, can be made in this regard. However, it seems to me that they should apply across the general field of government of Canada pension plans, and therefore the government feels that for the time being the structure should be kept consistent. This is without prejudice, of course, to subsequent discussion regarding whether or not this provision should be changed.

It is for these reasons, Mr. Speaker, that I put forward on behalf of the government the two amendments which I would commend for the consideration of the House.

Mr. McBride: Mr. Speaker, would the hon. gentleman permit a question before he resumes his seat?

Mr. Macdonald (Rosedale): Yes.

Mr. McBride: In view of the fact that when we discussed this bill in committee it was generally assumed that the pension would accrue to the widower of a female Member of

Parliament who was deceased, and of course to the widow as stated in the second part of motion No. 10 that is before us in the name of the President of the Privy Council, would the President of the Privy Council comment on whether or not the reference to the widow only would be taken to include a widower if a widower were to remarry, and that the same benefit would ensue?

• (12:10 p.m.)

Mr. Macdonald (Rosedale): Mr. Speaker, I believe I am right in saying to the hon. member that the point is hypothetical. I cannot put my finger on the appropriate section, but my understanding of the provisions of the statute is that for the purposes of the act the definition of a widow is deemed to include also a widower.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should just like to say that we in this party appreciate the action the government is taking to change the maximum rate that an orphan can receive from 60 per cent in the case of three or more children to 80 per cent in the case of four or more orphaned children.

Mr. Deputy Speaker: As agreed, the procedure will now be to put the first motion in the name of the hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain Acts that provide for the payment of those pensions, be amended by deleting therefrom Clause 13 of the said Bill.

Mr. McBride: Mr. Speaker, I rise on a point of order. Will we be permitted to speak further about the general implications arising from amendment No. 10 or is the matter closed now?

Mr. Deputy Speaker: My understanding is that when we get to motions Nos. 9 and 10 the debate will be resumed on motion No. 10.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as hon. members are aware there are 15 amendments on today's notice paper, put there by members of this group, that seek to amend Bill C-194. That may sound like a complication compounded, but under the rules the only way at this stage to deal with a number of clauses of a bill is by putting down amendments in respect of each of those clauses. However, the Chair has already made a very acceptable ruling which groups these various amendments so they are in packages that stand by themselves.

However, may I make it very clear, and I think this is a very simple proposition to put forward, that the purpose of the total group of 15 amendments placed on the notice paper is to amend Bill C-194 and to remove from it all the things that Bill C-194 does for Members of Parliament which it does not do for civil servants and the others covered by Bill C-194.

The main purpose of Bill C-194, the purpose that runs throughout and the purpose that applies to everybody who is covered under this bill, is to provide for the escalation of pensions after people have retired. It does this under two headings. In the first place, it does it immediately, this very next month, for all people who are now retired; civil servants, R.C.M.P. and armed forces personnel, Members of Parliament and so on, by providing a supplement to their pensions based on the length of time they have been retired.

The second way in which this purpose is carried out is by providing that all persons who are now employed, whether they are in the civil service, in Parliament or wherever they are, will, when they become pensioners, have the possibility of having their pensions increased each year provided the cost of living continues to rise.

This is the main purpose of this bill. That is what it does for everybody who is mentioned in it. But my complaint and the complaint of a number of my colleagues is that there has been put into this bill something that is foreign to and beyond its original purpose, namely a complete revamping and recasting of the pension plan of Members of Parliament.

The purpose of these amendments of ours is to take out of the bill all of those clauses that do that revamping, and to leave in it only what is there for all the others. If all our amendments are carried, then there will be left in the bill for Members of Parliament and for senators just two things. The first is the guarantee of escalation of our pensions after we retire and, secondly, the requirement that we pay one half of one per cent of our indemnity into the fund out of which these escalated payments are made.

In other words, it would put us on all fours, a phrase used earlier today, and in the same position as all of the others covered in this bill. That is what we think Parliament ought

to accept. It is my view that there is no justification for our using this bill, which was brought in after many years of pleading and many years of study by committees, departmental groups and so on, to revamp and upgrade the pensions of Members of Parliament and Senators.

I have said on other occasions, both when the bill was at the second reading stage and in the committee, that everybody else is being told that he must wait. In particular, the old age pensioners are being told that they must wait until we get the white paper on social security. Veterans who are on war veterans allowances are not being considered under the terms of the study being made of the Woods report and are being told that nothing can be done about their allowances until we have the results of this study presented to us in the white paper on social security.

I find it hard to understand how Parliament or the government can say to all these other groups that they must wait but that we can go ahead and act on our own behalf. When I made this point in the Standing Committee on Health, Welfare and Social Affairs, to which this bill was referred, the reply of the President of the Privy Council (Mr. Macdonald) was to cite the Curtis report. He said, and I think I am being fair to him, that in the case of the pension plan of Members of Parliament there had been this special study made, separate and apart from the white paper on social security, and since we already have the Curtis report that gives us the basis for acting.

I do not accept that argument at all. As a matter of fact, I do not accept the device that the government used in setting up Dr. Curtis as being justifiable. Professor Curtis was not commissioned by Parliament to do this job, and he was not asked by Parliament to do it. As a matter of fact, there was not even an announcement in Parliament that he had been appointed.

I remember very well a few years ago when the present Minister of Finance (Mr. Benson), who was then the President of the Treasury Board, wanted to do this, and even asked us if we would agree to a motion in Parliament to have such a study made. Many of us indicated to him that we were not favourable to such a course being taken, so the government went ahead and did it anyway, but entirely on its own.

[Mr. Knowles (Winnipeg North Centre).]

• (12:20 p.m.)

If I read correctly the letter from Professor Curtis to the President of the Treasury Board, it would seem that this study was made just on the basis of a letter written directly from the then President of the Treasury Board, now the Minister of Finance (Mr. Benson) to Professor Curtis. So, it seems to me this Curtis report is not a Bible that can be used for the purpose of doing something the government simply wants to do. I heard of no public hearings. I remember hearing after a while that Professor Curtis was carrying on the study, but the information was conveyed to us as though we were being given secret information. There was no publicity or mention about the Curtis report until suddenly it was tabled on the very day the minister indicated that Bill C-194 would include the provisions improving the pension plan for Members of Parliament. So I think it is clear that we have no right at this stage to ask for consideration of our pensions when war veterans on the allowance, old age pensioners and others are being told they must wait until there has been a complete review of social security.

I also feel very strongly, in light of the austerity that is being preached and the restraint people are being urged to exercise, that it just does not go down for us to be urging this course on our own behalf. When that is coupled with something else that is being studied by another three-man committee, namely a possible pay increase, the announcement of which was made in the House, it adds up to a serious question of whether we in the House of Commons are prepared to accept the same proposals for restraint and austerity we are imposing on everyone else.

I feel very strongly, Mr. Speaker, that this is not the time to be doing this kind of thing. I believe that if we go ahead and do it we will just give the people of Canada an opportunity to say that the Members of Parliament are certainly moving very fast in doing something for themselves and that they are moving a lot faster in that regard than they are moving in respect of doing something for the people of Canada as a whole. The Prime Minister (Mr. Trudeau) is the author of the statement that one difficulty in time of inflation is that those who can protect themselves do so and therefore do not fight as actively as they might against inflation. It certainly looks as though that is what we are trying to do both in respect of the pay question which is

to come up later and more specifically now in respect of the pension question. We would seem to be using our position in Parliament to protect ourselves. I do not think this is something we should be doing. I do not think we can expect the people of Canada to have the respect for Parliament they ought to have if we go ahead with this proposal.

No doubt today, as on other occasions, there will be arguments concerning whether or not the proposals contained in this bill are too generous. I think they are. I shall reserve my comments on that until we reach motion No. 9. But whether they are or not is a matter of judgment, and I think it is wrong to consider any improvement in our position when we are not prepared to act on behalf of the old age pensioners or the war veterans allowance recipients until we have the white paper on social security and when we are not prepared to do anything else for civil servants except provide for the escalation of their pensions after retirement. I think this adds up to a situation which puts Parliament itself under a cloud.

I know there is one other thing that is being done in the total bill for the civil servants. But that one other thing is by no means any change in the pension formula. It does not provide any change in the amount of pension people will receive. All it does is provide for a straightening out of an anomaly between the various pension plans and the Canada Pension Plan. This arises because of the integration of all these other plans with the Canada Pension Plan. It has been discovered that when people retire early they lose something under the form of integration arrived at which is a bit unfair. That is being straightened out. But do not let anyone tell me that because we are straightening out that anomaly we have the right to revamp our whole plan because there is no such anomaly in our case because our plan was not integrated with the Canada Pension Plan. We pay for our plan separately and obtain the full benefit of the Canada Pension Plan over and above our pension as Members of Parliament. So, I say it really is unanswerable that in this bill we are doing just one thing for everybody else and are doing more than that one thing for ourselves. We are providing that our pensions will be escalated and on top of that are making our pensions much too generous and are placing ourselves in a position where we are protected in ways that others are not.

May I point out there are those who say it is different here and that because of the hazards in this job we should be protected. I find it difficult to accept that argument. This is not a job that we seek in order to better ourselves and obtain higher pay or pensions. It is a job we are prepared to take as a service to our people. I have not heard anyone say during an election campaign that he should be elected so that he could have a good job, good pay and good pension. No; at election time we make a pledge to serve our people. I do not believe it is fair to make comparisons between the pay and conditions here and the pay and conditions of other people in other places. They are not comparable. This is a service operation. When we come to Parliament we make a certain commitment to our people. Because of all these reasons I feel in all honesty and fairness to our concept of responsibility we should not be including in Bill C-194 these things for ourselves which as I say I think are too generous. I shall come to that more properly when we are discussing my amendment No. 9 because it deals with the clause which contains the pension formula and so on.

So far as this motion No. 1 is concerned I shall draw my remarks to a close by zeroing-in on what motion No. 1 deals with. If I seem to have been wandering from motion No. 1, it is because the Chair said that on motion No. 1 we could discuss motions 1 to 8 inclusive. I am glad the Chair has agreed there shall be a vote on No. 1 by itself. I hope members will examine their consciences very closely when they are thinking about how they will vote on motion No. 1.

An hon. Member: Examine yours.

Mr. Knowles (Winnipeg North Centre): Do not worry about my conscience. I will look after that.

Mr. Deachman: You let us look after our conscience and you look after yours.

Mr. Knowles (Winnipeg North Centre): That is fine. Hon. members opposite can make suggestions to me, but I will make suggestions to them. I suggest to them that this motion No. 1 which seeks to strike clause 13 from the bill is one which every member of this House should support. Clause 13 says that the expense allowance we are receiving, and which we have been saying for years is an allowance only and that is the reason we do not pay tax on it, shall for purposes of this pension be called "indemnity". Mr. Speaker, we really cannot ask for it both ways and expect to be respected. Either that $6,000 is salary, in which case it could apply to the

pension or it is an expense allowance and should not count as salary for pension purposes.

• (12:30 p.m.)

There are examples in the public service where people get lump sum payments in lieu of back pay. These are payments for work and they are really salary, but because they are called something else than a salary they are not applied to their pension credits. Yet, here we take something that is not a salary at all—at least we have been saying for years it is not a salary—and we say that it shall be applied for pension purposes. I think there is an inconsistency here that is very severe, and parliament should not be asked to do it. I urge therefore that we strike clause 13 out of the bill.

When I proposed this in the committee the other day the President of the Privy Council (Mr. Macdonald) cited the Curtis report at page 29. I have already indicated that I do not think the basis on which we received the Curtis report makes it an authoritative document for us to follow, but even when I read what Professor Curtis had to say about whether to apply the percentage to the $12,000 or to the total $18,000, it does not really resolve the issue. He admits it can be done either way and that it is an arbitrary decision, but I would point out that the way this act is set up and the way the statute now stands, if this goes through, the pension contributions that are supposed to come off our expense allowance will not come off our expense allowance cheques but off our salary cheques. The statute is set up in such a way that it has to be done. We are carrying forward that inconsistency. If we wanted to raise the contribution to the size it will be under this provision, why not make it that much higher a percentage of the indemnity itself? To try to call the expense allowance a non taxable expense allowance on the one hand and a salary for pension purposes on the other, as I say, will raise some serious questions in the minds of the people who are watching what we are doing here.

For these reasons I feel that we should make this change in the bill. We should cut out all the clauses that give to Members of Parliament a benefit that we do not give to civil servants generally. That is the effect of the 15 amendments that are presented from this part of the House. So far as the first one is concerned, its purpose is to say that the expense allowance shall remain as that and not be counted as an indemnity for pension purposes. I would not object if we went the other way, if we decided that because we are going to treat it as indemnity for pension purposes we will also treat it as indemnity for taxation purposes. But let us not be in the dual position of saying one thing at one moment and another thing at another.

I heard some comments across the way about conscience. Perhaps I provoked them by what I said because I was the first to use the word. I am quite aware of the fact that one who takes a position as strongly as I have with respect to both the pay and the pension question has to be consistent in what he does later. I intend to follow a consistent course and I shall let my constituents know what that course will be. But whatever other individuals might do with respect to either of these questions, in my view that does not give parliament the right to follow a policy which says to old age pensioners and war veterans allowance recipients: "You must wait", and which says to federal civil servants: "This is all we are going to do for you, but for ourselves we are going to make substantial improvements in our own pension plan".

Therefore, I hope the House will support all our amendments, but in particular I hope it will support the amendment striking out the reference to the expense allowance being treated as salary for pension purposes.

Hon. Donald S. Macdonald (President of the Privy Council): I had not intended to repeat the debate that took place in the committee, but it seems to me the hon. member for Winnipeg North Centre (Mr. Knowles) said something when putting forward these proposals with regard to pensions of Members of Parliament which I feel should not remain unanswered and some of his comments should not be allowed to go on the record uncontradicted.

The first comment with which I would like to deal is with regard to the appointment of Dr. Curtis, a decision with which, incidentally, I was not associated because it was taken several years before I became a member of the ministry. However, I believe the decision was a sound one. I have no doubt in my mind that the community generally will recognize both the ability and fairness of Dr. Curtis. There is really nothing more I can say in support of the choice of Dr. Curtis for this purpose or the wisdom of the decision than does the Curtis report itself, which is a very concise and thorough analysis of the problem of providing retirement pensions for those

who take the position of Member of Parliament and by that reason lose other opportunities for providing for their retirement. At the same time, they undertake a hazard as to shortness of tenure which does not exist in other occupations.

The hon. member for Winnipeg North Centre said that there should have been wider publicity and wider public knowledge of and participation in that question. Perhaps the procedure was wrong and there should have been widespread public hearings on the matter. We all should be more candid about these questions of salary and pension. I must say that what has disturbed me ever since I first became a member, and what was particularly disturbing to me in 1963 when I had been a member for a little more than a year and the House acted to increase our salaries, was the want of candour on the part of many Members of Parliament and many members of the public about the realities of the position taken by Members of Parliament. I do not think that any sensible country can expect good people to come forward from private life and to take responsible positions at a financial sacrifice in terms of day to day salary—a sacrifice to the member and to his family—if he is not receiving high enough emoluments and a fair opportunity in terms of pension. I confess that as a man with a young family I am particularly concerned about survival benefits which would be paid for the benefit of young children. I do not intend to stand up and wring my hands and apologize to anybody for bringing into effect comparable pension benefits to what I would have been entitled to accrue for myself and my family had I remained in private life.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I want to be understood perfectly clearly, and I am not just directing my remarks to the hon. member for Winnipeg North Centre. I am addressing them to wide numbers of people in the Canadian community who, if there is any policy issue with which they disagree, feel they have a licence to make snide remarks about the emoluments or pension provisions that Members of Parliament may be drawing. I am prepared to say here, as well as to my constituents, that if you think you can get someone who is prepared to work for a lesser salary or not to provide for his children in the event of an early demise, then go out and find him and elect him because I am working here on a basis which is at least competitive with what I might earn in private life.

I, therefore, think that it was reasonable that Dr. Curtis should have been appointed. I must agree that perhaps the government of that day proceeded on a less candid basis than I have and did not recognize that some people in the community at large might try to draw adverse conclusions from the appointment of Dr. Curtis for this particular study. Perhaps they proceeded in a non-public way. Notwithstanding that, I think it was a reasonable course of action. I think it was a good report, and I think the choice of Dr. Curtis in particular was very good.

The hon. member for Winnipeg North Centre said he cannot accept the argument that there is anything particular or unique about the position of Members of Parliament that they should be provided for in their retirement. Probably nothing that I can say in this context would provide a better answer for the hon. gentleman than what his former leader, Mr. M. J. Coldwell had to say when the Members of Parliament retirement allowances plan was first brought into effect on June 25, 1952. I refer to *Hansard* of that day when Mr. Coldwell made what was a particularly eloquent, reasonable and responsible statement. He said:

• (12:40 p.m.)

> As one of the senior members of the House with some seventeen years' service, I merely wish to state that during that period of time—hon. members will probably know some of the personnel to whom I refer—I have seen men and women who have served the country long and well pass beyond the portals of the parliament buildings after a general election, or forced to retire through ill health, only to return to a condition bordering on relative poverty. I do not think the people of Canada want that to occur in the future.

He continued:

> When I have gone to my constituency or have been talking to people elsewhere in Canada I have taken the trouble to say privately that such a scheme was being discussed by the members of the House, and I have not found any citizen, who has given any consideration to the matter and to the welfare of the membership of the House of Commons and of the country, who has uttered one word against a scheme of this description.

I am prepared to adopt that statement. I am confident all fair-minded Canadians would show that same attitude now, and it is for that reason that I, as the minister responsible for putting this bill through, have no hesitation in saying on behalf of my colleagues and the government that we should put it through at this time.

The hon. member made great substance of the fact that we were including provision for MP's benefits in the bill for Supplementary Retirement Allowances. He said there was no reason why it should have been included in this bill, and that it should have been done at a later time. He used two arguments. He asked why was it being done in this bill, and secondly why was it being done at this time whether in this bill or otherwise.

With regard to the first question, the fact of the matter was that the Members of Parliament Retiring Allowances Act was being opened up by this bill which we are putting forward and the government had received this report from Dr. Curtis on which it had taken its decision. It therefore seemed reasonable to put all the matters amending the act into one bill, rather than to spread them between two bills. I do not think it is a matter of great substance whether we put all these matters in one bill or in two bills, but the fact is that we have put them in one bill.

As to the question of whether we should do this now or at some future date, the hon. member for Winnipeg North Centre referred to other pension benefits drawn by members of the public, mostly on a non-contributory basis, but I agree that not all of them are on that basis. I point out that what is involved here is a measure which will reduce the take-home pay of members of the House because this is a contributory pension scheme although I agree from the standpoint of the support of the government of Canada, it is also going to cost the treasury and the taxpayers some money. But I point out that it is going to cost members of this House a great deal of money if they plan to avail themselves of all the benefits under this plan.

On this point I would say to the hon. member, as I said to him in committee, that the decision has been taken to provide, for example, survivorship benefits for children, and to provide a more reasonable level of allowance for the widows of members, and it seemed to the government that it should include these provisions in this bill which was opening up the statute for amendment.

The final point I wish to make is with respect to the hon. member's argument on this particular amendment, with regard to the decision whether the contribution should be paid on the $12,000 alone, that is, on the indemnity, or on the $18,000, which is the $12,000 indemnity plus the additional $6,000 expense allowance. I think it is fair to refer to Dr. Curtis in this regard, where he says:

> The use of the full emolument as a base—part of which is now tax free—raises some difficulties but upon examination these do not appear serious. In the first place some arrangement must be devised to increase the pensions base in absolute terms and secondly there seems to be no other group for which this would be a precedent. If the full payment is not used as a base it would require a 10½ per cent contribution by the member to get the entitlement set out.

After referring to the fact that both the Carter Commission and the Smith Commission in Ontario had raised questions as to the desirability of a tax free allowance, which I do not think are relevant at this point although they may well become so when the Beaupré Commission reports, as recorded at page 29 of his report Dr. Curtis says:

> However, subject to these considerations, it is true the base of contribution could be changed to the salary alone and the entitlements still be calculated on the combined return. It is simply a calculation and provided it comes out with the same allowance, the basis of making it has little significance—tax or otherwise.

I would say with regard to this particular amendment that frankly it is irrelevant whether the pension should be based on the full indemnity plus the expense allowance, or on a changed base of contribution. It seems to me, bearing in mind the situation hon. members would find themselves in, it would be better to spread out their contribution over the broader sum. These are the reasons why I would ask the support of the House for the bill generally, and the support of the House in defeating this amendment and the succeeding amendments put forward by the hon. member for Winnipeg North Centre and his colleagues.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, this bill which is before us received second reading and was referred to committee on March 10, at which time there was debate on it. I regret I was not here at that time and could not participate in the debate. I join with my colleagues on both sides of the House, who have been pressing for measures to give some relief to those who have retired from the public service, in welcoming this bill. I regret that, as a result of the speech of the hon. member for Winnipeg North Centre (Mr. Knowles), I feel compelled, by just as strong motives of conscience as I am sure compelled him, to put some other things on the record regarding the amendments which are before us.

In his statement in this House on March 10, the hon. member for Winnipeg North Centre made a number of comparisons. I know he is essentially a very fair man, but his speech made it very clear that he was not only objecting to one particular provision being in this bill but he was objecting in substance to what was proposed, and he described the operations of the present plan in certain cliches. In particular he referred to the maximum pension of $9,000. In fairness to the hon. member I should quote him when he said, as recorded at page 4597 of *Hansard*:

> Incidentally, under the rules of the present pension plan nobody could ever get to that $9,000.

But he did not mention any of the other figures of actual pension payments. I feel that this calls for talk not about theoretical maxima but about what the amounts of pension presently are under the actual plan. I have before me the "Report on the Administration of the Members of Parliament Retiring Allowances Act for the Fiscal Year Ended March 31, 1969," and I wish to cite cases from it. My colleague, the hon. member for Kenora-Rainy River (Mr. Reid), did some calculations with respect to those who have participated in the present plan. He calculated that of those who have contributed to the plan since its inception 88 per cent failed to draw any benefit whatsoever. With respect to those lucky 12 per cent who hit the jackpot—and here I recall that the hon. member for Winnipeg North Centre referred to the plan as being a generous one in some features, although I do not think he really intended to do that—I would like to indicate the actual amounts which they received. One of these pensions was between $4,000 and $5,000; three pensions were between $3,500 and $4,000; three pensions were between $3,000 and $3,500; less than 3 per cent of the total pensions paid under the act exceeded $3,000, and 31 per cent of them were smaller than $1,500.

The hon. member for Winnipeg North Centre referred to the 60 per cent provision for widows, and indicated that the 50 per cent provision under the public service plan was less generous. But let us look at what that 60 per cent provision gave to seven widows under this act. Three received between $500 and $1,000, and four received between $1,000 and $1,500 per year. None of them received more than $1,500 per year. Now, the suggestion that this is a generous provision through the fact that it was arrived at by a mathematical formula which included 60 per cent, whereas the other schemes had 50 per cent, is in my opinion something less than the candour I normally expect from the hon. member.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Francis: Certainly.

Mr. Knowles (Winnipeg North Centre): Will he not agree that when I talked about the plan being generous, I was referring to the new plan, not to the one now in existence?

Mr. Francis: Well, Mr. Speaker, if the hon. member wishes to clarify his context in that respect, then that is his wish, but certainly the present plan is 60 per cent. I might say that my reference to the hon. member's speech is based on page 4596 of *Hansard*.

Mr. Knowles (Winnipeg North Centre): I was talking about Bill C-194.

Mr. Francis: Let us look at it on the basis of comparisons that he has made. The hon. member compared the proposed changes, and I will quote him directly lest he fear I am quoting him out of context, as follows:

> • (12:50 p.m.)
>
> With the 3½ per cent per year after the first ten years plus the other arrangements down the line, it makes it possible in 25 years to reach a maximum of 75 per cent. Our civil servants take 35 years to reach a maximum of only 70 per cent. Just on the surface of it, I suggest that is too generous.

I am quoting him verbatim.

Does the hon. member believe there is the same security in being a member of this Parliament as there is in being a member of the public service? Does the hon. member really believe that the average age of entry into the public service is comparable with the average age of entry into this Parliament, or that it should be? Does he believe that this is a fair comparison? Some of us on this side, Mr. Speaker, have a feeling that there is an element of demagogy here. Some of us feel just as strongly that an amendment to an act which allowed only 12 per cent of those who contributed to ever draw a penny of benefits, otherwise they would just get their money back without interest, is not good. And if you were part of the lucky 12 per cent, your widow might get between $500 and $1500 pension if you died, with nothing for surviving children. If you are really lucky you would get a pension which, on the average, came very close to $2,000.

The hon. member talks about doing something for ourselves, doing something which is so terrible. He talks about those who are in a position to control things in their own interests taking unfair and undue advantage. I am going to ask, through you, Mr. Speaker, if the hon. member in his conscience thinks the step to correct the kind of situation I have described is so unconscionable, so terrible, that he has to delete every reference to it from the measure before us. I find again a curious dichotomy in the thinking of the hon. member. When he talks about other pensions he is absolutely straightforward and asks for equity, asks for improvements in benefits. He made a slight slip the other day in committee when the government provision was going to deny a widow the benefit if she remarried; then he reverted to his usual way of looking at pensions and said this was not generous. But this slip did not last very long because when it comes to benefits for Members of Parliament he has a totally different standard than that which he applies to any other pension plan.

On March 31, 1969, for example I note that the excess of receipts over disbursements for this curious plan which the members of Parliament set up for themselves was $2,621,-185.88. A plan that gets 88 per cent of the people to put their money into it, leave it there interest free and just get a return of contributions at the end of the period, cannot lose. That kind of plan, if it existed in private industry and a union were to make representations in regard to it, would be subject to the most vicious attacks. But I have never heard the hon. member talking about low rates of pay, these low rates of pensions the scandalous rates for the widows or the excess accumulation in this fund, although he has asked numerous questions about the operation of every other fund that exists. If I am wrong, I invite the hon. member to correct me on this score.

What disturbs me even more is that whenever a comparison is made, and the hon. member was most explicit here, his comparison is with the old age pension, with the war veterans allowance recipients; it is never with an executive in industry. He expressly repudiates that concept. Yet he expects people to come here and give of their best. I know some hon. members on the other side of the House whose wives are working, not altogether from choice. I know one hon. member who sits on the other side—it does not detract from my respect and admiration for him, and although he is not here today, I hope I am not embarrassing him—who, in the course of providing university education for three children, has gone into debt to the bank substantially in excess of five figures. This is the situation that the hon. member for Winnipeg North Centre (Mr. Knowles) seems to put completely aside in his mind.

It is possible to come to this House and live frugally in the city. I have the greatest respect for the people who do this. You can have a room or two and eat your meals in the fifth floor cafeteria or even bring a sandwich or two. If you have the kind of constituency that returns you year after year, you conduct a heavy volume of correspondence and are active in participation, it is likely that constituents will continue to give their loyalty. But there are constituencies that have switched loyalties. I am thinking of my opponent who won the seat in Carleton with a 19,000, majority in 1958, and five years later lost the very same seat. Previously, every one of his opponents had lost his deposit, but within five years he lost his seat. This is the way some constituencies can change because people repudiate the policy of the government or of the candidate. Some constituencies with their record of repudiation of candidates, which is their democratic right and their privilege, can place a pension plan in very difficult circumstances.

In spite of what the hon. member may think—he is smiling now—a pension plan is an obligation not only to the people who run for the safe seats but to those who run for the seats that are not so safe, that is not only for the seats that have 35 years of loyalty to a member but for those that can switch loyalties. There may be a personal defect of the MP, but the point I am making is whether it is so scandalous, so wrong, so terrible to revise the rules for a plan that allows only 12 per cent to benefit and to benefit by the small amounts, I have indicated.

I respect people who come into public life and treat it as a form of service. But with the greatest respect, there are many people here who might have chosen the monastic life or some other life. They do not have the kind of family responsibilities that other members have and that is fine. Parliament is their whole life and their contribution is great, but those members have an obligation to be charitable, too. They have an obligation to recognize that Parliament consists of average Canadians as well as the type who might choose a vow of poverty. Parliament must

include in its ranks men and women who at other times are carrying heavy loads in industry and society and who are capable of that kind of performance.

Thanks to some resources that I possess, Mr. Speaker, when my daughter comes to me and says that she wants to take a French immersion course this summer at Laval I can tell her to go ahead. But some other hon. members cannot afford to do that, to have their daughters participate in language immersion courses because there is not enough money in the budget. If they die they know that their widows and survivors under the present arrangements will be in penury, or absolute poverty in many circumstances. Some hon. members may feel that somehow self-denial and poverty are desirable virtues. We know that in some parts of the world people are put on a bed of nails because of the theory that this brings them to a higher degree of self-purification. I do not believe that we can run Parliament on that basis. I believe there is an obligation to members of this Parliament to vote for the proposals that the government puts before us representing a long overdue updating of what was a scandalously inadequate plan.

Mr. Deputy Speaker: It being one o'clock, I now leave the Chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

POWER

MINAS BASIN—STATEMENT ON FEASIBILITY OF TIDAL PROJECT

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I wonder if I might have the consent of the House to revert to motions for the purpose of making an important statement about the tidal power project in the maritimes.

The Acting Speaker (Mr. Béchard): Is that agreed?

Some hon. Members: Agreed.

Mr. Greene: Mr. Speaker, the recently completed study of the Atlantic Tidal Power Programming Board was a very extensive

investigation of the technical and economic factors pertaining to the possible development of tidal power in the Bay of Fundy. The federal government contributed substantially to this study by meeting two-thirds of the total cost of approximately $2,300,000. In addition to this specific financial contribution, an appreciable amount of time and effort of a number of experts and senior officials of federal government departments has been contributed, without charge, to the activities of the Atlantic Tidal Power Programming Board and its engineering and management committee.

Although the immediate prospects for economic development of tidal power are not promising, it is conceivable that increasing restrictions due to the environmental side-effects associated with thermal power generation may become so significant in the future that tidal power, which is virtually free of environmental and pollution problems, will become much more attractive than it is today. The extensive background material compiled during the detailed study just completed will greatly facilitate a reappraisal of tidal power, if and when conditions such as environmental factors, technological advances in tidal power plant equipment, or reduction in the cost of money warrant such action.

The federal government has made significant contributions to the development of electric power in New Brunswick and Nova Scotia. The Atlantic Development Board provided a $12 million grant for the construction of the Trenton thermal-electric station in Nova Scotia and a $20 million grant towards the Mactaquac hydroelectric project in New Brunswick. In addition, long term loans in excess of $125 million have been made or committed under the Atlantic Provinces Power Development Act for construction of thermal generating stations and inter-connecting transmission lines and associated facilities in these two provinces.

Improving the competitiveness of the industrial base in the Maritime provinces remains an important element of the policies of the federal government. However, cost alone is not the only consideration. We must work closely with the Maritime utilities to ensure that sufficient spare capacity is built into their systems to meet the needs of new industries which cannot wait the four to five years necessary to provide new generation.

Obviously, tidal power is not the immediate answer to the electrical energy needs of New Brunswick and Nova Scotia. These provinces

do, however, have access to low-cost fuel in the form of imported oil. To use this fuel to maximum advantage large, efficient thermal electric generating plants must be built and the utilities of the two provinces must work in a fully co-ordinated manner to support such plants. This action, accompanied by the construction of strong interconnections with adjoining utility systems in Canada and the United States, will go a long way towards making power costs in the Maritimes competitive with other areas of Canada.

We, as a government, have already indicated our desire to help achieve this end. The government of New Brunswick will receive federal financial assistance of at least $4 million from the Department of Regional Economic Expansion to the electrical interconnection under construction between that province and Quebec. Through this tie, the Maritime area will receive power from the giant hydro complex now being completed at Churchill Falls.

This government stands ready to consider other appropriate assistance to projects of major significance to the power systems of these provinces. The utilities on their part must move towards the co-ordinated planning which is essential to the achievement of a low cost and dependable power supply.

Mr. Comeau: This is terrible.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, although I thank the minister for giving notice of his intention to make a statement in the House and for delivering to us a copy of the press release on the question of Bay of Fundy tidal power issued by his department, I must say that the report of the Atlantic Tidal Power Programming Board was very disappointing, as was the minister's statement.

• (2:10 p.m.)

Some hon. Members: Hear, hear.

Mr. Nowlan: Certainly, those in the Atlantic area who twice a day have heard the roar of the Bay of Fundy tides and realized their potential for development are most disappointed. Notwithstanding this report, I still believe the potential for the development of tidal power in the Bay of Fundy is just as strong today as the sound of that Fundy tide when one stands at the edge of the shore. The bay is in my constituency, it is true, but the implications go far beyond my own constituency. They concern the whole of the Atlantic northeast, particularly the northeastern United States.

As the minister says, this has been a joint project shared by the federal government and the governments of New Brunswick and Nova Scotia. I have just had a copy of the report delivered to me. I suppose I would have to agree with what the minister said in his statement; as far as the technical factors are concerned I am not in a position to question them at the moment. But they do not tell us anything new. We were aware that for technical reasons tidal power would be more costly than other sources of power. But though the press statement referred to it, the minister did not mention this afternoon that part of the report which states, on page 21:

> It is concluded that tidal output could become competitive with energy from alternative sources when the interest rate drops to about half its current value.

High interest rates are among the main reasons why, to judge from the attitude of the minister toward some of the opinions expressed in this report, this project did not proceed further. I shall not attempt to deal with the subject of interest rates today. I recognize they present a perplexing problem. But when interest rates so directly effect an area such as my own which lacks the economic potential of other provinces such as Alberta, Ontario and British Columbia, I had hoped—and I still hope—the governments which have power to control interest rates in some way, would try to eliminate or reduce their impact on projects such as the one I am considering now.

Both the minister's statement and the report are disappointing because of their negative outlook. As I say, we knew it would cost more to develop Fundy power. We had hoped, though, that after spending 2½ years on this survey, those responsible would have done more than clarify technical details; we had hoped that the report would contain positive recommendations to reduce or eliminate some of the problems which were bound to be connected with the realization of the project. I ask you this, Mr. Speaker: if people had paid attention to the arguments put forward by the minister and embodied in the report, founded on immediate economic considerations, would the CPR ever have been built from coast to coast across this land?

Let us turn to the present day. Would the consideration of immediate economic factors have justified the building of the St. Law-

rence Seaway which is still a charge on the public purse? Yet this is another project which has been of benefit to all Canadians—perhaps it has benefitted us on the east coast least of all, but we agreed to it nevertheless because it was undertaken for the good of Canada. Then again, would immediate technical and economic considerations have justified Premier Bennett going ahead with the Peace River project? Today, we can see what this project has meant in so many ways for the benefit of British Columbia. If Premier Bennett had thought in that way, we might never have had the Peace River project. The experts said it could not be built at the cost assigned to it. The politicians said it could. The experts said that if it was, indeed, possible to build it, the power could not be sold because there would be no market. Yet already still more power is needed in British Columbia.

Speaking as a politician, but also as a concerned Canadian, I ask whether the concern so often expressed about area of economic disparity is to be only a phrase used at election times, and whether the sincere efforts of the Minister of Regional Economic Expansion (Mr. Marchand)—I am not complaining about the minister—

An hon. Member: Why not?

Mr. Nowlan: This project could be the basis for a measure of economic development in the Atlantic area more important than all the piecemeal schemes and patchwork efforts of all the ministries concerned, both in the immediate future, to use the minister's own phrase, and for many years afterward.

If there is any doubt about the need for additional power supplies by the northeast of this continent, one has only to look at page 14 of the report. I intend to take some time reviewing the minister's statement, Mr. Speaker, because the single project with which it deals could do more to offset economic disparity in the east than anything else which could be undertaken. There is only one thing which could come near to it, and that is if we were to find oil off the coast of Prince Edward Island—

Mr. Peters: All that would do would be to eliminate the fishing industry.

Mr. Nowlan: I want to read page 14 of this report by the Power Programming Board which says, as far as the need is concerned:

> Turning to markets in adjacent areas, to which exports might be made, The Hydro-Quebec load in 1966 amounted to more than 33,000 million kwh and the peak demand was approximately 6,100 mw. Current forecasts predict that the requirements will increase to 110,000 million kwh and almost 19,000 mw in 1980 and to 231,000 million kwh and 29,000 mw in 1990.

Now, I come to the important part.

Some hon. Members: Hear, hear.

Mr. Nowlan: Those who say "good" and those who laugh do not understand to what extent we in the east, together with the minister working to remove economic disparity, have set our hopes on this report which is before us today. It is not a laughing matter. I do not care what government is in power, either in Nova Scotia or in Ottawa; they will be working against economic reality in attempting to reduce this disparity of opportunities and living standards if they try to slough off a project which could do so much in a positive way to end the difficulties which the region is encountering.

The Minister of Energy, Mines and Resources (Mr. Greene) is involved in negotiations concerning the continental energy package. He said something about importing cheap oil. Perhaps there will be further questions about importing cheap oil for use in a thermal plant which will further pollute our air. Many questions were asked recently about the voyage of the *Manhattan*. The *Manhattan* and vessels like her, will not only pollute the Arctic but will bring back more oil to be made into gas with which automobiles will in turn pollute the cities. Yet here we have Atlantic tidal power which does not pollute the atmosphere, which is a constantly renewed resource, and which we now intend to neglect after 2½ years of study. In actual fact, interest in this project started before 1920. The president of the university in the town I reside in was, I think, the first I know of to take an interest in this, and he formed a company to do it.

• (2:20 p.m.)

But it is the negative element of the whole report which concerns me. I have not finished reading about the potential demand for energy. He said:

> In the United States the total requirements of the six New England States in 1965 were 41,782 million kwh of energy with a peak demand of 8,586 mw. The requirements are forecast to increase to 111,000 kwh and 41,000 mw in 1990.

There are billions of kilowatt hours of energy which are really just going to waste with the changes in the tides. Do you know

how big those tides are, Mr. Speaker? I wish Mr. Speaker rather his deputy were in the chair because—

Some hon. Members: Shame.

The Acting Speaker (Mr. Béchard): Order, please. I do not want to prevent the hon. member making a very interesting and long speech, but it is the practice of this House that statements and comments thereon are to be short.

Mr. Nowlan: I apologize. I was not referring in any personal way to the Speaker but I should like to compare the potential created by tides that ebb and flow four times a day. Five days of the normal flow on the St. Lawrence at Cornwall would produce the same volume of water. That is the type of thing we are talking about today. I appreciate we are supposed to be short in our statements, and there are many other things I would deal with; but there will be many speeches made on the report.

As I say, the report stresses the negative. It does not refer to the billions of kilowatts of untapped energy that is going to waste. It does not stress the positive elements, such as the renewable resources. These are resources that are pollution free. While this energy potential may cost a lot to develop, once developed it is a fixed asset. Capital will have been expended, and in this way it will be a relatively inflation free resource. It will also be a source of foreign exchange because we will be able to sell this power to the northeast United States which is crying out for it. Judging from some of the articles I have been reading lately, if we do not start developing some of the power potential in Canada, then somebody will spend some money somewhere at rates of interest that the board have said are too high.

Most important of all, the report does not mention the fact that this development could be the base for a real, viable program to combat economic disparity. Not only would we build new plants, but this development would mean higher income for the people and increased tax flow back to the treasury to help offset the cost. For the first time ever, the Atlantic area would be able to pay in a plus way into the national purse rather than always being at the receiving end.

I have read the most important proposal which should be considered positively. But for the high interest rates, this tidal output would be competitive with other energy sources; the board says so at page 21 of the report. However, the board and the minister stop there, even though it is suggested that further construction or further generating capacity might make the project competitive and viable in the future.

I hope that this minister and the Minister of Regional Economic Expansion (Mr. Marchand) will undertake to do some research into different types of power plant construction and into how you can reduce cost with new generating equipment. I suggest this question requires continuing consideration and perhaps it could be referred not only to a committee of this House but to a government committee with perhaps New Brunswick and Nova Scotia as members. This question is too large for one provincial government to handle on its own. We should look at the matter positively and see how best to tackle the many problems.

If there is anything that I have learned in my political life, especially from listening to my friends to the left, and one of them in particular who I will not name, it is that if you do not look at projects positively so you can avoid the hurdles, then you will never make progress. Instead of saying: "This is a good idea but we won't be able to do it", let us say we should do it.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member will understand that there are other hon. members who want to comment this afternoon.

Mr. Nowlan: I apologize. In conclusion—

Some hon. Members: Hear, hear.

Mr. Nowlan: —what concerns me most about the report is the positive-negative-pessimistic aspects of it, which the minister himself seems to have adopted in the brief time that he has had to look at it—though I do not know how long he has had. Instead of saying that it is a good project but that we cannot implement it, we should say that it is vital and necessary to implement it and ask ourselves how we go about solving some of the problems.

I have taken some time here this afternoon, in spite of some of the catcalls to the left of me that show that some members do not care about development of the east. The board that studied this matter did so at a cost of $2.5 million. We spent almost $2 million on the royal commission on the status of women. We spent $7 million odd on the bilingualism commission. All of these matters may be important. I do not know if the commission

on women will change their status; but what I do not want to see is that, having gone into the technical approach to this question and expended a lot of government effort, especially at the federal level, we will say we will take a look at it again in another 20 years. If we do that, the Minister of Regional Economic Expansion will never be able to get his proposal off the ground.

Mr. David Lewis (York South): Mr. Speaker, I suspect that the excellent speech to which we have just listened was given, in part, as an example of the tidal waves that one can see and hear on the Bay of Fundy.

Mr. Nowlan: That is right. I wish I had the kilowatt energy to go with it.

Mr. Lewis: I think the hon. member showed megawatt energy, let alone kilowatt. I assure him and others in the House that if some of my colleagues made some good-natured interjections it was not because of any lack of concern about the subject but because the hon. member, with an aplomb that I admire and do not condemn, went on several minutes longer than at this stage we are supposed to do.

Mr. Nowlan: You had better watch yourself. On a point of order, Mr. Speaker, I have heard the hon. member for York South go on a little too long on some things that I did not think were half as necessary or important as the development of Atlantic tidal power potential.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for York South.

Mr. Lewis: Mr. Speaker, I must admit, knowing the hon. member with great pleasure, that I should have known better than to make the remark that I did. I was merely explaining the reason to him. I loved what he said and how he said it, and as far I am concerned he could have gone on saying it. The matter he raised may be more important for the people of Canada than one part of the bill that is now before us.

Obviously, it is impossible for any member of this House who does not have engineering training to be able to quarrel with, indeed to evaluate, the report that has been placed in the hands of a few of us in this House. I do want to make a few brief remarks, however.

I am disturbed by the fact that the board said—and the governments concerned have accepted the proposition—that the idea of developing this tidal power must be delayed until interest rates drop down to about half the present level. Let me say to the minister this means that this tidal power will never be developed. There is not a chance in the world of interest rates going down to half their present level within foreseeable generations. Indeed, the whole tendency over a good many years has been for interest rates to go up. Interest rates will go down somewhat, I hope, but certainly not to the 4 or 5 per cent that the minister and the report talk about.

Secondly, if it were possible for this government and the maritime governments involved to think in terms of a public undertaking to develop this energy, then the interest rate may not be so important. It may be possible for the government to obtain and provide the capital for this development at a rate much lower than the present prevailing rate for the welfare of the Atlantic provinces and the people who live in those provinces.

• (2:30 p.m.)

The second point I want to make is that it seems there is a lack of imagination both in the report and in the minds of the government in accepting the report. The government seems to be overlooking the obvious importance of the fact that tidal power can be developed free of any environmental consequences or, to put it in simple English, free of stinking pollution. That seems to me in the long run to be a very important consideration. A very large expenditure in developing tidal power may well be justified in order to have a source of energy that is free of the effects of air pollution, which is not the case with thermal energy generating plants.

If I am correct in my reading of the report, this development would take a number of years. I think it mentioned five to nine years. It may well be that seven, eight, or nine years from now Canada, as a whole, would be grateful beyond description for having a power generating capacity in the Atlantic provinces that would not pollute the air around those areas, including a section of the United States as well.

Finally, Mr. Speaker, the thing that perhaps disturbed me most about the minister's statement, and I say this to him very seriously, is that he presented no alternatives. He talked blithely about getting the existing generating companies to produce sufficient and surplus capacity. He talked blithely about the need for developing efficient thermal generating plants. He talked blithely about present utility planning. None of these things

will happen until such time as the government of Canada in particular, and the maritime governments as well, have the courage and the imagination to take initiatives and spend vast sums of money.

To talk in terms of $4 million or $10 million—a lot of money though that may be—when you are dealing with building power generating plants is of course to talk of something that has no meaning at all. What will be required if any of these things are to happen, that is if there is to be sufficient surplus capacity and generating plants are to be increased and utilities are to plan, is initiative on the part of this government which must do these things

I wish to summerize what I have said in two sentences and then I will sit down. Like the hon. member for Annapolis Valley (Mr. Nowlan), I am not confident that governments are right in accepting this report. In view of the great advantages of tidal energy and the need for such power in the Atlantic provinces, I am thoroughly disappointed that when the minister accepts the idea of rejecting this development he does not have a tittle of a suggestion as to what might positively take its place.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I was quite disappointed when the minister announced today that the establishement of a tidal power plant in the Bay of Fundy would be delayed for an indefinite period of time.

Mr. Speaker, we remember that in ancient Greece, at a time when one of the finest civilization in the world was thriving, a great number of Spartans had several helots or slaves in their service. Today, thanks to science we have succeeded in controlling certain forms of energy to make them available like slaves to the individual.

I had the opportunity to visit some time ago the area which is concerning us today and I am pleased to state that it is perhaps one of the most beautiful areas of the country, after the Abitibi area of course. When I see that for economic reasons, the government is deferring some projects which could assure a considerable development in the depressed Atlantic provinces where the rate of unemployment is the highest in Canada, I cannot understand the thinking of the authorities.

I must congratulate the minister for the statement he made a short while ago, because it represents a substantial improvement over what we heard yesterday, namely that if that project is uneconomical, it is because the interest rate is much too high.

For financial considerations and owing to restrictions on credit, the development of an area is paralyzed. We have achieved important endeavours in the past, such as the St. Lawrence Seaway which cost a pretty penny because we had no idea how to finance it.

For instance, when one considers the balance sheet of the Canadian National, one finds that for the interest on the debt alone, we have paid out more than $225 million, which is about equal to the debt which the Canadian National must pay back.

Another project which would have greatly helped in the development of the Atlantic provinces, the building of a causeway between Prince Edward Island and the mainland, was postponed to a much later date. Today, we are giving up the building of a tidal power station in the Bay of Fundy.

I would also like to mention another project which could be carried out in my district, the building of a seaway in the Harricana River, or as is generally called the building of the Grand Canal. Even the study of this project is frowned upon because it is not known just how to finance it. I suggest, however, that, instead of letting financial interests, which control not only this country but the whole world, hamper development in Canada, the government should make use of existing possibilities in order to carry out such projects. As a matter of fact, we have the material, the scientists, the technicians and the engineers, in short, all the labour required. What we lack is the money.

Mr. Speaker, there is an institution in Canada called the Bank of Canada which should be at the service of Canadians. That is what the Créditistes are asking for more and more urgently. However, when they make that proposal those who serve the capitalists only smile.

Mr. Speaker, I maintain once more that should the government want to use the Bank of Canada to finance these various projects, they could be carried out within a few years.

GOVERNMENT ORDERS

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

MEASURE TO SUPPLEMENT PENSIONS

The House resumed consideration of Bill C-194, to provide supplementary benefits for

certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain Acts that provide for the payment of those pensions, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I tried to outwait some of my colleagues, but I did not make it.

An hon. Member: You outweigh some of them.

Mr. Peters: I outweigh them, but I did not outwait them. The hon. member for Winnipeg North Centre (Mr. Knowles) made a number of comments to which I should like to refer. I agree with some of them but I disagree with others.

He referred to the way the government has gone about introducing changes in the Pensions of Members of Parliament. There are very few things more difficult when you hold office than making a decision which will result in a benefit to yourself. I am sure this has happened to most senior executives who have to make decisions which result in benefits to themselves and those who might follow them. For that reason I am of the opinion that the method which was used, and the fact that the Curtis report was made public, was a good way of handling what is without doubt a difficult problem in relation to benefits to people who are involved in making the decision.

• (2:40 p.m.)

I believe that the Curtis report indicated to those who read it the many difficulties involved in a consideration of pensions for Members of Parliament and the fact that there are many variables. I believe there should be as close as possible a relationship between the studies that have been done and the expectations because I, as one Member of Parliament, do not agree we should do something for ourselves in an economical manner which would be contrary to a policy we would be willing to see operate in other fields. There are members who believe an affluent society must be bad. There is the old Protestant adage that to be poor must be good, that hell exists on earth and that the worse one rewards oneself here the better it will be somewhere else. I never believed that. But certainly this type of thinking has plagued the party to which I have belonged for many years. There was always the wish to accomplish for everyone what you wanted for yourself. I think most people agree with the words Woodsworth used to the effect that what we want for ourselves we wish for all. I believe this applies to pensions as well. What I should like to see accomplished for myself I should like to see accomplished for everyone.

There is no doubt that Members of Parliament have been concerned with veterans' pensions, not only in terms of the Woods report but in terms of having the basic pension of the veteran raised substantially. I think everyone in Canada believes we should escalate pensions to the greatest extent possible. I believe there is a basic concern on the part of all Canadians that everyone should have as high a pension as the country can afford. I have heard some of my colleagues—and perhaps I have done so myself—speak about pensions like the pension of a former governor of the Bank of Canada. There was some monkey-business in that case. When it seemed that he would not hold that position for long, the pension was increased. Some concern was expressed about this, and I believe it was a legitimate concern. I think it would be very unfair to tax everyone with an income of less than $5,000 a year, $500 or $100 a year in order to pay all the old age pensioners more money than the country can afford. But I think it would be as great a crime not to pay them the highest amount the country can afford.

If I might return to the matter of the parliamentary pensions, I think a long time ago we should have devised a better system to maintain our wage and pension structure. I think this matter should have been taken out of Parliament. I believe it is a matter which should come under another government agency which would be in a position to make decisions. I am one who believes so far as pensions are concerned, unlike wages, that so long as one is willing to put in the money he should be able to get full value from it.

I carry a $10,000 20-year endowment policy. I will never get more out of it than I have paid in. I think perhaps I am a darned fool to carry it and I would not take out such a policy today. I think perhaps I was stupid. However, I hope and believe that some day if I live long enough I will get that $10,000 back. I will have put it in, so I should get it back. I would hope that if I wished to make the type of contribution that would be required to produce a certain type of pension I should be able to do so. I have been around in the

labour movement and I know that when I make the type of contribution I like to make my employer makes it too.

Some of my colleagues consider that a Member of Parliament should not retire on the amount of money on which we would retire under certain conditions. If they say I will retire on too large a pension, then they will have to tell me the reason it is too large is that the pension fund cannot carry such a pension. Then, I will say I still want that kind of return and am willing to put more money in in order to produce that type of a pension. It has been said it is wrong to have a large pension and not that there is anything wrong with developing a pension fund to cover it.

The hon. member for Winnipeg North Centre has made two points on which I should like to comment. One was that this should not have been brought in in this manner. I sympathize with the government on many occasions when it looks at the political facts of life and decides to do something. I do not blame the government for doing this, even though I may not necessarily like it. I sympathize with what they have done. I think from these votes we will see whether or not this measure is supported by a majority of the Members of Parliament. I really think it will be supported. Personally, I would like to see our pensions separated from other pensions because we maintain a separate fund. I believe it could be operated separately. It may be that very soon Members of Parliament will find that they will have to contribute more money.

The second point the hon. member for Winnipeg North Centre made is that the $6,000 was included as income. Personally, I think this is a great mistake. I see no legitimate reason for this. It really was not done by amalgamating the expense allowance and the salary. It was done in a loose way for the purposes of the pension. Before this report was made I recommended that the $12,000 be considered as salary, and if it took 10½ per cent to produce the desired pension then we should use the 10½ per cent figure on the $12,000 because I think we are stretching credibility if we consider the $6,000 as salary for one purpose and an expense allowance for another purpose. I agree the two should be separated, but I do not agree that it would make any difference. It would only mean that the percentage from salary to give us the full pension would have been 10½ per cent rather than 7½ per cent. It would not mean a greater contribution in dollars, either by the government or the individual. We would still be paying approximately $1,350 a year.

• (2:50 p.m.)

It seems to me that this pension is going to be fairly generous. It is probably in keeping with the salary we receive, which in terms of the general level of salaries in the country, is fairly generous. Therefore, in my opinion, it follows that what we have done in this regard is to bring the pension up to a reasonable level. Personally, I have known a great number of people who have retired on the previous pension. Hon. members should not forget that we only got around to receiving any kind of pension in 1952. Before that, I suppose, the wages of Members of Parliament were so low that they were not considered to be wages. They were probably more like the minister's clergyman's stipends and all they were supposed to do was to keep body and soul together. Members were not supposed to live on their indemnity.

When we passed the legislation in 1952 a pension was established which, in my opinion, was not satisfactory. It was mentioned here that M. J. Coldwell received a pension of $3,000 after 17 years here.

Mr. Francis: I do not think it was that much.

Mr. Peters: Yes, after 17 years he received $3,000. In those 17 years, he had not been connected with any industry or any educational institution. He was in no position to supplement his income when he was retired by his electors. This was not a voluntary retirement; he did not choose to retire at that time. He retired involuntarily and he did so after that many years of service for a salary that was probably $1,000 below the poverty line and which certainly was not in keeping with the contribution he had made to Canada. I am informed by my colleague that M. J. Coldwell was here 23 years, which does not make the situation any better. For 23 years of service to Canada, surely the people of this country should have considered it fair to donate to him $3,000 a year. Mr. Coldwell should not have had to contribute to a pension fund to receive that kind of money. I am sure there are many people in Canada who would have agreed that if the amount were doubled, and came directly out of the treasury, it would not have been too much.

My point is very simple. If this pension program that has been suggested by the gov-

ernment will not produce sufficient money to make it possible to make the payments that are indicated in this plan without additional money having to be provided by the treasury, then I suggest somebody should say so and we will change it. But if I wish to contribute 10 per cent of my wages to a pension plan, I should have the right to do so and would expect my employer to match that contribution.

When the Canada Pension Plan was passed I, and some of my colleagues, recommended to various organizations and agencies that the vested pension plans in Canada that were already in existence should be added to the Canada Pension Plan. If this had been done in a number of areas—one of them being my area where the engineers and firemen have been participating in an Ontario pension plan—and if those pension plans had been stacked on top of the Canada Pension Plan, the resultant pension would have been very close to $2,000 a month on the retirement of these people, which would have been almost $1,000 more than they were earning. I suggest there is nothing wrong with that if people want to contribute that high a portion of their wages to a pension plan and if that pension plan does not become a drain on someone else. I think this decision should be left up to the people who participate in the plan, and they should be allowed to make that contribution if they can afford it.

I suggest that there are differences of opinion. In many cases they probably stem not from people's conscience, as has been said, but rather from their environment and background, from the type of people they have worked with and the relationships they have had with other classes of people, sometimes much more fortunate than themselves. Sometimes these differences of opinion arise from the desire not to reduce everybody to a common denominator but to raise the lowest standard of living to the highest possible standard that people can afford.

Mr. Randolph Harding (Kootenay West): I intend to be very brief and deal primarily with the amendment before us, but others have had one or two general comments to make on the bill and I understand that this is permitted in discussing the first amendment. It seems to me, and the point has been made before, that we should be dealing with two separate bills. One of them should be a bill dealing with the Members of Parliament Retiring Allowances Act, and the other bill should deal, of course, with the legislation dealt with in the rest of the bill before us.

I have listened to the government speakers, or at least to the hon. member for Ottawa West (Mr. Francis) who spoke prior to the lunch break. I did not hear him mention the specific amendment with which we are dealing. It seems to me that the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) is a sound one. He is asking that allowances, which today are classed as expenses, are not taxed by the government and are not classed as income, should not be included as salary for pension purposes. I go along with this. The previous speaker indicated that there are other methods of increasing the pension. You can raise the percentage on the sessional indemnity of $12,000. If an increase is warranted this is the way it should be done.

I, personally object very strongly to Members of Parliament setting such a poor precedent, not only for the House but for the whole country, by giving themselves special privileges in order to improve their own pensions. This is not right. Not only is it a poor precedent, it is mighty poor legislation. Surely, the government should realize this and should at least accept the amendment of my colleague. If they wish to increase the pension, they should increase the percentage on the $12,000. However, to write a provision into this act and not to allow the same provision to be written into other pension acts is not good legislation and should not be allowed. It is not in the best interest of Members of Parliament or in the best interest of good government. We should not accept this type of foolish legislation.

• (3:00 p.m.)

I should like to say one or two words on the pension proper. I would be very happy to know that we had legislation on the statute books before us that would give adequate increases to our senior citizens and to our veterans. I would be happier dealing with this legislation if I knew the other type of legislation for senior citizens and veterans was on the way and would be passed in this session of Parliament. I believe most hon. members feel the same way about the present bill and about pensions in general.

I have listened with a great deal of interest to members describing their financial troubles, and there is no doubt that some hon. members are having financial difficulties. But I point out that there are hundreds of thou-

sands of Canadians from one end of Canada to the other who do not know what it is to have a pension, who do not know what it is to have a monthly income when they finish their normal term of employment. We should set up proper, portable pension plans for the whole country. We have never really done that. We have never really done a top-notch job in this field, although there has been some improvement in the over-all picture.

I have heard stories of hon. members who are having difficulty in sending their children to schools and universities. Mr. Speaker, I can name hundreds of children who could not go to university because their parents could not afford to put the money down on the line. This situation does not apply only to Members of Parliament; it applies to a broad spectrum of Canadian citizens.

In conclusion, Mr. Speaker, I endorse this amendment which proposes that clause 13 be stricken from the bill. If the government wishes to propose other measures to make up the difference, that may be all right, but the $6,000 expense allowance in no way, shape or form should be used as a basis for pension purposes when it is not used for taxation purposes. If we adopt this bill we will be giving ourselves special privileges, which is something we should not do.

Mr. F. J. Bigg (Pembina): Mr. Speaker, I think the government is to be commended for its courage in bringing forward this bill. To look after yourself is not a popular thing, although our Socialist friends are all preaching that it is. Speaking for the greater number of the members of this House, I say they are quibbling when they talk about whether or not the $6,000 is an expense account or is pay. It is probably an outdated method of paying people something in the nature of what they are worth. We have this situation because governments in the past have not had the courage to come forward and look at the question and bring it up-to-date. We know they should bring all pension rates up-to-date, but let us bring on one thing at a time.

Mr. Saltsman: Us first?

Mr. Bigg: I wonder if the hon. member who interjected would tell us how much money he has in his private fortune and what it is like to be so independent as to be able to devote your time to the Canadian people in such a fashion. I think there is hypocrisy here. I say that if you are rich enough, you should donate your time. Why don't you come here as a dollar-a-year man and give your member's pay to the starving children in Biafra?

I have been a civil servant all my life, very inadequately paid, and the pension is not worth mentioning. I heard no ravings from that corner of the chamber to increase my pay in that time—and they have had 40 years to do it. I heard no ravings from that corner about the soldiers' pay. To them I say, I know you are all pacifists. Why? You live in a country defended by the soldiers of this country. Are the soldiers of the past and the soldiers of the present being adequately paid? Are the paraplegics in our hospitals being adequately paid, those who suffered through defending our country? They defended their country to allow you to spout your socialism. You want it both ways. Do you want the soldiers to fight for you for nothing, to spend the rest of their lives in hospital beds for nothing? Why? Because you believe in western freedom?

Mr. Nystrom: You would like to see them in Viet Nam, wouldn't you?

Mr. Bigg: Where would you like to see them?

Mr. Harding: We have been trying to get a raise for them.

Mr. Bigg: They stand for western freedom. Where do you stand? Everytime you talk about Viet Nam I know it is the same old red herring, and I mean red. Why don't you talk about Laos today? Who is invading Laos today?

Mr. Peters: Would you call Spiro to order, Mr. Speaker?

Mr. Bigg: We are having interjections from my red friends to my left. If they will just keep quiet for a time we will get on with this bill.

Mr. Peters: Mr. Speaker, I would like the hon. member to withdraw that remark, if I was one of those included.

Mr. Bigg: My bright pink friends, please keep quiet for a while.

Mr. Peters: I am not his bright pink friend, either, Mr. Speaker.

Mr. Bigg: My salmon-coloured friend, Mr. Speaker.

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member, but I must ask him to be as relevant as possible to the subject under discussion.

Mr. Bigg: Mr. Speaker, I have always considered it a right and a privilege to answer the interjections of hon. members of the House. If my hon. friends will please confine their remarks to a positive contribution to this debate and to what they think Members of Parliament are worth, it will be better. I know what some members of Parliament are worth perfectly well. I know perfectly well what the price of treason should be, and I have heard a great deal of treason in my day.

As a civil servant I was not allowed to take the positive action which is usually necessary, but I know something about serving my country—very inadequately—and I know something about the fault of past governments in refusing to pay me personally for my service in the civil service, in the armed forces and in the mounted police. While I am at it, I also want to congratulate this administration for increasing some of those pensions, for example the mounted police pension. That pension has been increased 42 per cent in some cases. The only thing I can see wrong about it is that some of those pensions should have been increased at least 100 per cent—and if you pardon me for saying so, I think that includes mine.

It may be of some interest to you to know that for 23½ years service I get the magnificent sum of $100 a month. Is that adequate in this day and age, with the cost of socialism mounting daily, the socialism which my hon. friends on the left, the salmon-coloured gentlemen, are so fond of bringing forward? Everything free; medicare, education—everything but the protection of this country. And who is going to pay for it? Who is going to reward them adequately when it is over?

• (3:10 p.m.)

This bill is far from adequate; there are still holes in it. There are members of the mounted police who are not allowed to include their war service for pension purposes. You never heard that mentioned until now. Why not? Is active service and service to your country less valuable to the people of Canada than good, safe highway patrols at home? Where was your lobby then? Isn't it fair to assume that the reason is that they do not want to reward people for service to their country, for supporting western freedom and democracy, but only the new democracy? What is new democracy? Why use the word "democracy" if you refuse to reward one for service to it? I should think the New Democratic Party would rise to a man and say that a man who serves his country is just as entitled to a pension as one who stays home in a safe job. I am sorry I have to make such a plea to this House, to cut out hypocrisy and get down to the fact that hon. members should be properly paid.

Mr. Speaker, I have received a letter from the Toronto *Star* asking me to explain how much money I am out of pocket by keeping two homes. I cannot afford to keep two homes. I do not own two cars, because I cannot afford it. If my wife comes here to visit me, I should not have to speak to my landlady and beg her to allow us to use the upper room, back, on the third floor. Surely, like a corset salesman, I should be able to put my wife up in an ordinary first-rate hotel without having to explain to the Toronto *Star* how much money I am out of pocket.

If you have a visitor from your own community who is travelling Canada—the most vital, prosperous young nation on earth—should you have to apologize for not being able to afford to take them out to dinner or send them home in a taxi because you do not have two cars and cannot afford anything but streetcar fare? When you represent 100,000 square miles of this wonderful country, are you supposed to travel over it winter and summer, day and night, at your own expense? Some hon. members pretend to be ashamed to stand up and ask the people of Canada to pay their reasonable expenses to get around.

If you have a constituency where you do not need $6,000 to get around, you had better take a constituency like Athabasca—as I did for ten years—and you will be $4,000 out of pocket every year. I do not have to tell the Toronto *Star*, Mr. Speaker: I am telling the House of Commons, if they do not know it already. The hon. member for Northwest Territories (Mr. Orange) covers 2½ million square miles, and you ask him to do it on $6,000 a year. How, in the name of decency, can any citizen of Canada ask a man to represent 2½ million square miles of this country on a miserable $6,000 a year?

Don't get me wrong. I did not come down here for the money. I did not even know how much the job paid when I came. But I know that the average Member of Parliament today does not have enough take-home pay to make it worth while to give up teaching public school to sit in this House for the number of days and hours that we spend here. I am willing to give the Auditor General or anybody else access to my books. He can publish them, and if he can show that there is any

profit in being a public servant at this level I am quite willing to give all that profit to the starving people of Biafra or anywhere else. But there is no profit, and you know it. To criticize the positive parts of this bill is sheer hypocrisy, Mr. Speaker. It is a cheap political attempt to put Members of Parliament on the spot, and particularly members of the government who have the courage to update their own pay and allowances and pension scheme.

Mr. Speaker, I have never heard a positive suggestion from my Socialist friends on how anybody will be able to pay their bills unless we update our pay and allowances, nor as to who is going to raise the money or work a little harder to do it. Reformer as I am, I might be tempted to give them some political support if they had the answer to that question. How are you going to get individual Canadians to work harder and serve their country better? I have tried to serve my country but I have never been thanked for it from that corner of the House. My pension troubles have never been raised and no lobby has ever suggested that war service should count. Why shouldn't war service count in other service pensions? I can only assume it is because they do not condone the fact that I served my country as a volunteer soldier—but I did it willingly and I am not whining. Mr. Speaker, the alternative is simple: they can give the money back to the Crown, if they do not want it. This would be one way of avoiding income tax on it, and I am sure it would be most welcome.

By and large I think this bill is a step in the right direction. As I said before, I think it puts an unnecessary strain on the government and on this House to talk about what our pay should be. Perhaps the matter should have been put into the hands of an independent commission, but then I suppose they would have said, "Another royal commission; another bunch of Grits looking for good jobs; another waste of the taxpayers' money."

Mr. Speaker, I am not going to take up any more of the time of the House except to say that I think this measure is long overdue, particularly for younger members who have to think about their families and for professional men who have given up lucrative positions to come here and donate their time. To those who think we are overpaid now, or that we will be in the future, I say the door is open to give back to a grateful country any overpayment they happen to receive.

[Mr. Bigg.]

Mr. David Lewis (York South): Mr. Speaker, I did not intend to take part in the debate, and I do not intend to take very long. I have been rather astonished and distressed by the reaction of hon. members to the fact that there are some in this House who question the wisdom of an increase in members' pensions as proposed. I think hon. members who have talked the way the preceding speaker spoke have gall. What they lack in intelligence and understanding of what this question is about, they certainly make up in nerve and extravagance of expression.

Mr. Bigg: You are the richest Socialist I know in this country.

Mr. Lewis: I want to say to hon. members, on behalf of my colleagues, that they should not think that anyone of us who opposes this bill, or even anyone who supports it, is less than dedicated to serving the people of Canada and the Parliament of Canada.

Let us understand the basis of this discussion. My friend, the hon. member for Timiskaming (Mr. Peters) says that we will be paying for this pension; we will pay a larger proportion of our salary and expense allowance. But so will the public treasury, Mr. Speaker. I am certain that other public servants in Canada would be quite prepared to pay a larger proportion of their salaries in order to have it matched by a contribution from their employers so that their pensions might be improved.

• (3:20 p.m.)

I am not one who says the Member of Parliament should not enjoy an improved salary or pension until everyone else in Canada has reached his level. That is an impossible, wrong position to take. It is simply not practical or sensible. But I do say that when the government brings down a bill covering public servants like Members of Parliament, judges, members of the RCMP, Senators and veterans, it ought to cover and treat all public servants equally.

Some hon. Members: Hear, hear!

Mr. Lewis: That is my objection to this bill.

Mr. Francis: Mr. Speaker, will the hon. member permit a question? Is it his opinion that the pension plan for civil servants is even remotely related to the kind of plans existing in the other sectors described?

Mr. Lewis: Of course not. The hon. member must not think I am so ignorant as not to

know there are variations in wages and salaries all across this country, and in pension plans. Pensions are not equal, and I do not expect them to be. I do not take issue because the pension plan for Members of Parliament is to be improved. So it should be.

Some hon. Members: Hear, hear!

Mr. Lewis: I do not deny that it should be, nor does the hon. member for Winnipeg North Centre (Mr. Knowles). What I object to, and what he objects to is that Members of Parliament should improve their pension plan at a time when little is being done for other public servants and at a time when the government and Parliament ask working men of this country to tighten their belts. There is a time for things to be done. The workers always have a reason for asking that their incomes and pensions be increased.

Can anyone say that a worker earning $4,000, $6,000 or even $8,000 a year does not deserve an increase, especially when one considers rising living costs? Yet we are saying to them, "Don't ask for a big increase: Ask for a little increase, say of 3 or 4 per cent. We do not say you do not deserve 7 or 8 per cent; we merely say this is not the time to give you 7 or 8 per cent." When you say that to the working people of Canada, I submit it is not the time for Members of Parliament to improve their own conditions. It is as simple as that.

This is not the time to bring down a bill that deals with 99 per cent of our public servants one way and merely escalates their pension by 2 per cent, and deals with the other 1 per cent of public servants who happen to be sitting in this chamber and in the other place in a different way and gives to them a completely new pension plan that will double their pensions.

Mr. Francis: And their contributions.

Mr. Lewis: I ask the hon. member for Ottawa West (Mr. Francis): Are there not many civil servants in Ottawa, and would not the civil servants he represents be prepared to pay another percentage point of their income to receive the kind of pension the hon. member is ready to vote for himself?

Mr. Peters: If he tries to negotiate it, the government will say no.

Mr. Lewis: As my hon. friend for Timiskaming (Mr. Peters) says, even if he tried to negotiate such a plan the government would say no to it. But in this chamber Members of Parliament negotiate among themselves on this issue and the government says, "You can have better pensions because you like the idea."

Mr. Whicher: That is NDP twaddle.

Mr. Lewis: There are differences of opinion on this matter in the chamber, and I know that many people are angry because we are saying these things. Whether their anger stems from their disagreement or a guilty conscience is something they must decide.

An hon. Member: That's cheap.

Mr. Lewis: Those who support my argument are doing what they think is right, and others who disagree with us no doubt think they are right. They are welcome to their opinions, and I wish they would give me the right to state mine.

An hon. Member: Nobody is stopping you.

Mr. Lewis: This, in our view, is simply not the time to do this kind of thing with the pensions of Members of Parliament. At a time when similar provisions are not included for all other public servants, and when we are asking the people of Canada to take smaller increases in wages because the situation is such that they ought not to receive what they think they deserve, Members of Parliament cannot, I think, justify this kind of measure. That is why I am against it.

Mr. Whicher: That is not the position of the hon. gentleman's party in the Ontario legislature.

Mr. Lewis: If the hon. gentleman wishes to ask a question and has the courtesy to say so, I will permit him to ask it.

Mr. Whicher: Mr. Speaker, I wonder why my hon. friend has not had a chat with Donald MacDonald, the leader of the NDP in Ontario, who took an additional 100 per cent in the legislature at Toronto. He reached for it with both hands.

Mr. Lewis: Mr. Speaker, the hon. member who asked the question was at one time, I think, a member of the Ontario legislature. He ought to ask Donald MacDonald, or John Robarts, or my son, about this. Frankly, I am not concerned about what Donald MacDonald, Stephen Lewis, John Robarts or anyone else did in the Ontario legislature. I am not a member of that legislature; I am a member of the House of Commons.

Mr. Whicher: But you belong to the same party as Donald MacDonald.

Mr. Lewis: I speak as a Member of the House of Commons. Some members of my party disagree with me. Without accusing anybody of displaying a lesser morality, lesser intelligence or a lesser concern for our country, I say to you, Mr. Speaker, that in my opinion the government is wrong and Parliament will be wrong in approving so substantial a pension for Members of Parliament without doing a single thing to improve the pension plan as a whole of other public servants.

Some hon. Members: Hear, hear!

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, a member of the opposition who spoke earlier in the debate congratulated the government for its courage in bringing forward this legislation. Whatever the government displayed, I do not think it was courage. May I refer to what the President of the Privy Council (Mr. Macdonald) suggested when he indicated that it was not a matter of great substance that pensions for public servants and Members of Parliament are dealt with in the same bill.

I think it is precisely because the government lacked courage that it introduced these separate measures in the same bill. In other words, the government knew perfectly well that a bill to increase pensions of Members of Parliament and Senators at this time—and it has been emphasized by others that the phrase "at this time" is all-important—would be unpopular with the public and embarrassing for Members of Parliament and Senators; so it decided to bring in under part II of this bill the provisions dealing with pensions of Members of Parliament and Senators. It brought in part II of the bill, which it knew would be unpopular, under the cloak of raising the pensions of civil servants, which it knew would be popular. That is exactly what it did, even though the bases of the two pensions are entirely different and the benefits paid under part II are far more generous than those to be paid to recipients under part I.

I therefore think the President of the Privy Council was quite wrong when he tried to pretend that it was not of great consequence that these two measures should be included in one bill. They were included in one bill quite deliberately, with the hope that the popular part, the pension increases relating to the public service, would carry the unpopular part relating to Members of Parliament and Senators.

• (3:30 p.m.)

The campaign to raise pensions of public servants has been fought long and hard by many boards, bodies, commissions, public servants themselves and by people like my colleague for Winnipeg North Centre (Mr. Knowles). Of course, in this campaign my hon. friend from Winnipeg North Centre has played a very consistent and persistent part in this victory which is by no means confined to a few people.

I want to touch on a point with which the President of the Privy Council omitted to deal. He was careful to say that the recommendations are based very largely on the Curtis report. But there is one part of the report with which he did not deal, namely, what appears on page 5. The report recommended that pensions be paid at age 55 on retirement, but not before that age. Mr. Curtis said in his report:

> It should also be stated plainly that the present system of paying allowances immediately upon retirement from the House is inequitable in that it gives younger "retirees" a great advantage over older members... The time has come to make the system more adequate, equitable and appropriate to present-day conditions and more in line with pension and retirement plans in general.

In other words, the report recommended that MPs be eligible for pensions henceforth at the age of 55. The government disregarded this advice completely when drawing up the new pensions schedule. So far I have heard no explanation from the government as to why they brushed off this recommendation.

Mr. Peters: The government wants retired members to be young enough to enjoy it.

Mrs. MacInnis: My hon. friend is not on the government side, yet. I said I had heard nothing from the government side. Now I want to touch on one or two points which were made by the hon. member for Ottawa West (Mr. Francis). I see he has returned to the chamber, and I am glad he has. It seems that when he was worrying about members' pensions and being such a strong advocate of the needs of Members of Parliament, he was doing something which was important and about which he felt very strongly.

But I would just like to suggest—I will come in a minute to the need of Members of Parliament for this pension, and in some

cases the need is very great indeed—that when the hon. member made at least the suggestion that for certain Members of Parliament who have safe ridings it is easy enough to go along with criticizing pension increases for Members of Parliament, but that for members whose ridings are not so safe it is a must to have very substantial increases in pensions, that having a riding which is reasonably safe for a member is not entirely unconnected with what one does in pleading the case for people who really need help in the riding, the people on low incomes and those who have no pensions or very low pensions.

Mr. Francis: I rise on a question of privilege, Mr. Speaker. The hon. member has quoted me and I think in fairness she should quote me accurately. My concern was that for certain types of members the conventional rules of eligibility had the result of excluding 88 per cent of members of this House from any benefit whatsoever—not in regard to the quantum of the pension but mere eligibility for the pension. I believe the hon. member has misconstrued my remarks on this point.

Mrs. MacInnis: That was the next point I was going to make, but the one I have already made stays, because I suggest that there are very many people besides Members of Parliament who have very low pensions or no pensions. He may feel as righteously indignant as he likes over a pension which is as low as $3,000 under the old act, but I should like to know how many people in his riding, excluding perhaps some of the higher paid public servants, are enjoying pensions of $3,000 for the rest of their lives. I refer to ordinary members of the riding.

Mr. Anderson: Mr. Speaker, may I ask a question?

Mrs. MacInnis: If you want to ask a question, let me finish with him first and then I will let you have a shot. I want to deal with this other point. The hon. member is melancholy about the old pension system, because he says only 12 per cent can qualify under it to get a pension. I ask him, what does he want? Is it a situation in regard to pensions where every member who is once elected to Parliament becomes attached to the public payroll and is pensioned for life? If that is not what he wants, I am at a loss to understand what he does want, because it seems to me very much like that. And don't let him make another speech on this clause. He can make another speech later, because we have other amendments.

I suggest that if he would put half the attention into pleading for a guaranteed income and for pensions for the low-income people in his riding as he has today for members of Parliament, perhaps he would find there would be less of a turnover in his riding when it comes to future elections. Perhaps the hon. member for Esquimalt-Saanich (Mr. Anderson) would like to ask his question now.

Mr. Anderson: I should like to clear up one point. I hope the hon. member does not feel, as I understood her to say, that one's performance in the House and as an MP entirely determines whether one is re-elected, whether in the same seat or not, because I feel that her hon. friend from Nanaimo-Cowichan-The Islands (Mr. Douglas) would take strong exception to that statement.

Mrs. MacInnis: No, no. I made no such suggestion. I said it was not entirely unconnected with that. You can find your examples where you like. Of course, accident also comes into it very definitely. Accident comes into our getting here in the first place and in our leaving it, in the second place.

I would also like to say that I wish the hon. member for Ottawa West would go back and read the speech which my hon. friend from Winnipeg North Centre made on March 10 and from which the hon. member for Ottawa West was quoting so freely this morning. In every case he would find that my hon. friend from Winnipeg North Centre was not talking about the pension scheme already in existence, but about what is being proposed for us, when he said it was too generous and this sort of thing. Just let him read *Hansard*. You can get your shot on the next round. Look at *Hansard* in the meantime and it will save time.

Mr. Francis: The statement is on the record, and it is a misstatement. I should like to ask the hon. member: When the hon. member for Winnipeg North Centre (Mr. Knowles) referred to a ceiling of $9,000, which plan was he referring to—the present one or the new one?

Mrs. MacInnis: I am saying that when he referred to the plan being far too generous he used the words, "what is being proposed for us in the future." That is what he said. I guess I have dealt with everything up to date. I now want to come to my own position on

this proposal. Of course, I am supporting the amendment which is before us. Oh, yes; I knew I had forgotten somebody. It is the member in our own group who referred to members who believed that the affluent society must be bad, and who prefer to wear hair-shirts and have long faces on Sundays. I am not in that category at all, believe it or not; but I do believe that in an affluent society, when we start to raise pensions and allowances it must begin at the bottom where the need is greatest.

I am not saying this today for the first time and if some of you have not heard me say it before I will speak more often in the future. The place we should seek to build security first is where the people are the least secure, those in the low-income groups, and we should seek it by every possible means. On the day we get a guaranteed income for low-income people in this country I will be far happier about our spending time and worrying about raising our own pensions and salaries.

I want to say one thing about my hon. friend from Timiskaming (Mr. Peters). He said it was perfectly O.K. to go on putting any amount of money we like from our own salaries into a pension plan, and he said, "I would expect my employer to do likewise." Who is our employer? Our employer is the people of Canada, who foot the bills. Frankly, I do not think you can justify taking money to an indefinite extent from the pool of taxation across this country while we have people with so much less income and security than ourselves.

• (3:40 p.m.)

I come now to another point. I realize the need for increased pensions for Members of Parliament; I see the need and hear about it all the time. I know there are members who have very great family requirements, with youngsters growing up and needing education. Some carry the extra burden of supporting elderly relatives. Other members have large constituencies with particular travel problems, and so on. I realize all this. But I think we could find some way other than upping the pensions to cope with some of the expenses we have to bear.

There are also some members whose obligations are greater than one suspects. It is a rather dangerous thing to count the noses in a member's family and to say that he has 6, 8 or 10 children, that another member has no children, and therefore the need of the first member for a pension is 6, 8 or 10 times that of the other. I suggest that until and unless you know the obligations of each individual member, you could not begin to make any sort of rough calculation of what are his requirements.

Most of us are required to run two homes. At times certain individuals and organizations seem to feel that a money tree grows in our offices. We know, too, that constituency expenses are mounting. Therefore, I will not presume to judge the needs of anybody else by looking at their obligations. You could not begin to make any assessment, and there is no reason why you should be able to do so.

Certain people in this House are angry, upset, and feel badly about this situation. But I think we must admit that we are all here because we are trying to do a good job for this country, and that we are earnestly and sincerely trying to say that which we believe. I am not presuming to judge other people, but I have to judge my own position in this matter. In doing so I have to tell this House that as a representative of the riding of Vancouver-Kingsway I cannot go along with a pension increase for ourselves at this time. Neither, I think, should Parliament. I have the right to say that I do not think Parliament should do so because I am helping either to make the law or to protest the making of law, as the case may be.

My colleague has outlined specific features of the bill to which he objects and I do not need to repeat them. But I want to make this point, which is central to my argument. The people of the constituency of Vancouver-Kingsway sent me here to represent them and to do as much as I possibly could to further their interests. The great majority of these people have less income and less security than I have. At the present time no proposals are being put before us to help in any material way to improve the income or security of these people. The budget is quite fresh in our minds, and there is no provision therein that will benefit people of low or moderately low income. As far as the people of Vancouver-Kingsway are concerned, there is nothing for them.

For the old age pensioners, for the people who need housing, for the people who have large families and inadequate income, for people who are unemployed, for the youth of this country who will be pouring out of our schools in a month or two with no jobs to go to, nothing is provided. How can I at this time tell these people, "Although there is nothing for you, I have come back with something worth while: I have just helped raise, without

protest, pensions of Members of Parliament and Senators"? You and I know, Mr. Speaker, how these people will feel, and I just cannot face them on that basis and I am not going to.

I hear somebody snorting. Perhaps it was three snorts that I heard combined into one large snort. I think it is a mistake for Members of Parliament to compare what they are getting with salaries and pensions paid in the business community. If a Member of Parliament feels that in comparison with somebody in the business community his salary and his pension are not what they should be, that his prestige is not what it should be, that his economic status will not allow him to get those things that a person he regards as of comparable ability and advancement in the business community can get, I suggest to that member that he get out of this House and join the business community.

We do not come to this Parliament essentially for the purpose of making a living. Certainly it is not why I came here. Nobody forced any member to come to this House. Hon. members know—at least, I give them credit for knowing—their abilities are such that they could get a better-paid job in private industry if they wanted to. I also give hon. members credit for coming here because they wanted to render public service. Therefore, since people are being told that they must exercise restraint, that they must go easy on any monetary increases, I give these hon. members credit for believing that this is not the time to take advantage of our particular position by putting our hands into the bill and taking out more than a fair amount, an amount that is more than other people can take.

That is the position I am going to take at this time. I realize that each hon. member has to decide this question for himself. Personally, I cannot support these pension increases for Members of Parliament. My people would regard such action as a betrayal of the trust that they have placed in me, the confidence they have that I will put their interests ahead of my own. I cannot do that if I go back and tell them that although I have looked after myself, there is nothing for them. For these reasons I support this amendment which will delete that part of the bill that makes special and different provisions for Members of Parliament and Senators.

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I have but a short comment to make. We have been told that this matter is one of conscience. Reforming the pension plan for members in this way has led to expressions of moral anguish on the part of the members of the New Democratic Party.

An hon. Member: Some members.

Mr. Perrault: Some members. The only rider that has not been added is, "Local papers, please copy". I am shocked, bewildered and dismayed that after all these verbal histrionics there has appeared on the Order Paper no proposal by the New Democratic Party to amend the measure before us by introducing a conscientious objector clause that would enable all members of that party to turn back their pension benefits to consolidated revenue if they so desire. There is no proposal on the Order Paper that would permit them to opt out and to back their moral outrage with practical dollar contributions, whether to consolidated revenue, Biafra relief, Canairelief or whatever they want to do with the money.

We have had a great deal of moral indignation but very little follow-through. However, perhaps I am being unfair. Perhaps these members are about to move an amendment from the floor for the purpose of making even greater dramatic impact. Perhaps we can now await an amendment from the New Democratic Party that will deny unto their members any benefits of the pension plan and turn them back to consolidated revenue. We will therefore listen with interest to find out how solidly is this moral anguish backed by performance.

• (3:50 p.m.)

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I must say that when one talks in this House about histrionics, the hon. member for Burnaby-Seymour (Mr. Perrault) is usually quite capable of giving us a fair demonstration of what that word means. His remarks about amendments, and so on, implied that members of this House are not free to discuss the merits of proposals placed before us from time to time in various government bills. Some of us have proposed amendments in our names which we consider to be appropriate and in accordance with our judgment as members of the House of Commons of the merits of the proposal we have under debate. It is from that point of view I should like to speak for a few minutes on the matter before us.

It should be apparent, despite the allegations of the hon. member for Burnaby-

Seymour with reference to the political party of which I happen to be a member, that when it comes to discussing a bill of this kind it is open to us in this part of the House to discuss it as Members of Parliament and not as members with any particular political affiliation. This is the way I feel such matters should be discussed.

I rose to my feet because I felt I might forestall an impulse on the part of the hon. member for Timiskaming (Mr. Peters) to re-enter the debate. I am not quite sure from the exchange that took place a little earlier whether the hon. member for Timiskaming or the hon. member for Vancouver-Kingsway (Mrs. MacInnis) will wear the hair-shirt. But I am sure that whichever one of them chooses to come into the House in that apparel, Mr. Speaker will consider it suitable for this corner of the chamber and we can then judge which one looks the most becoming in that attire.

I rise to speak on this amendment to deal with two points, both of which have been mentioned before, about which I have some feeling. I have always felt that as far as it is humanly possible, members of this House should have the right to make a decision on a particular issue without having to be gummed-up by extraneous issues. I should like as a member of this chamber to register my personal objection to what I can only describe as the way the government has bootlegged the whole question of the pension plan of Members of Parliament into this bill. While it is true the bill deals with pensions it is, nevertheless, not directly related to them.

I do not know why it is, but every time we deal with matters which affect our own situation, particularly from the pension point of view, we seem to be swept into a situation which generates more heat than light. Because of the action the government has taken and the way it has chosen to bring this matter before the House, I suggest it has added to the heat of the debate. I wish the government had left these issues separate and apart in order that we could appraise them individually, on their own merits. Then none of us would feel, in voting on the proposal in the first part of this bill, that we were in fact having to compromise our position in respect of the other part.

The other point I should like to touch upon, because it has been debated, is the business of combining for the purposes of this bill our indemnity and expense allowance. Ever since I have been a member of this House I have tried to put forward the point of view that proper recognition should be given to the expenses which a member must incur in the performance of his duties both as a member of this House and in providing proper service to constituents. I have always felt that the present system, which sets a flat rate for every member of the House of Commons, is neither equitable nor fair and that this is a matter which should be considered and appropriately adjusted. I feel that by entangling our present, so-called expense allowance with our indemnity we are creating a snarl we probably will never manage to untangle, and we will never be able to take a realistic approach to the matter of expenses a member incurs in performing his function as a Member of Parliament.

Let me refer to the question of the pension proposal in respect of hon. members. In this regard I suppose my personal experience has been as varied as that of any member who currently sits in this chamber. I suggest in all seriousness that as the proposal stands we are moving very directly away from the original concept of the Members of Parliament Retiring Allowances Act.

An hon. member quoted and commended part of a speech on the original bill by a former leader of the party to which I belonged. When I first came into this House the Hon. M. J. Coldwell was that leader. Anyone who followed that debate on the matter shortly before I entered the House—I think in 1952 the plan came into effect, and I entered the House in 1953—will realize that the whole concept of that plan was based on the concept that the longer an individual was away from the normal employment or occupation from which he made his living, the more difficult it would be to readjust to what one might call civilian life after retiring either voluntarily or involuntarily from this chamber. It was on this basis that the special provisions of the Members of Parliament Retiring Allowances Act was developed.

No one would quarrel with the suggestion that the initial plan was not adequate. Speaking as an individual, I have no particular quarrel with the principle of the plan. When I was defeated as a member of this House in 1958, I had not been elected three times. I have no particular quarrel with the fact that the only benefit accruing to me was a refund of the amount I had personally contributed to the fund: I had not been a member of the House long enough, nor had I reached an age where it was impossible for me to re-enter employment which would earn me a living.

Mr. Deputy Speaker: Order, please. It being four o'clock, the House should at this time turn to private members' business.

Mr. Caccia: Mr. Speaker, I wonder whether hon. members would consent to extending this debate into the private members' hour.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Barnett: Mr. Speaker, I was saying that I had the experience of leaving this chamber and having my personal contributions refunded, and having to readjust to another way of providing myself with a living. I have no quarrel with the fact that at that time I had no pension entitlement as a Member of Parliament.

I did draw a pension for a short time, and while I freely admit it would have been nice if it had been larger, at least—as I sometimes put it—it bought the groceries and it was much better to have it than to have nothing at all. This was at a time when it was not quite as easy, having been longer in the House, for one to make a personal readjustment and obtain gainful employment. I think the original principle is still sound.

• (4:00 p.m.)

Without going into the amount of the pension, I feel one of the criticisms of the present proposal is that it departs radically from the concept of what is a Member of Parliament's pension. I disagree with the parallel which has been drawn in some speeches between the pensions of Members of Parliament and the pensions of civil servants, those in industry, and so on, in a situation wherein one would normally expect to work until a definite retirement date.

It seems to me the departure has stemmed from the fact that the proposed bill contains in it recommendation No. 3 of the report of Dean Curtis, to which reference has been made earlier. This recommendation would entitle a member to a pension after he had spent six years in the House. The bill ignores the parallel suggestion that if one is to be entitled to a pension after such a short period of service, the pension should not be payable until a certain retirement age, and the age suggested here is 55.

If a person has been here for only six years and presumably leaves at a fairly early age, it is evident that in the majority of cases no contribution would have been made in an amount that would pay for such a pension for the rest of that person's life. Nor do I think it is proper to argue that a member who has been in this chamber for only six years would not be able to make the necessary readjustment in respect of a previous occupation or find some other occupation after leaving this chamber.

On the other hand, in any ordinary concept of a pension with contributions calculated for a period of years into the future, a modest pension entitlement could be considered warranted. I would suggest that this consideration, apart from any other, is sufficient for not passing in its present form this particular part of the bill. As one of my colleagues quite properly noted, this whole scheme was hurriedly brought before the House. It was rushed through the committee and brought back into this chamber, and no one can say there was an opportunity for the proper, rational consideration to which such a proposal should be entitled.

Having said that, I must say that on balance I agree with what was said by the hon. member for York South (Mr. Lewis), to the effect that the timing, apart from any other consideration, is not very appropriate in view of the stated policies of the government. I agree with him that if we are to be asked, as we are, to support the policies of the government in respect of the economy and the slowing down of inflation, regardless of what we may think of the merits of this proposal which the government is putting forward to deal with such matters, at least we should be asked to set a good example ourselves and the government should see that any measure it presents is in keeping with its general policy position at the time.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have only a few remarks in respect of this particular motion. It deals with the base on which pension contributions are to be made. I believe Dean Curtis summed it up fairly well when he said we can take 7½ per cent on $18,000 or a higher percentage on $12,000 in order to reach the same amount. I suggested to Dean Curtis that it might be preferable to base the contribution on the $12,000 so long as the result could be adjusted in some way. However, that is not a point on which I feel strongly.

The government has decided differently, and it is the government's responsibility. The government is doing in this case what Dean Curtis recommended. Having said that, it is not my intention to support the amendment. This government has taken its responsibility

and concurs with what Dean Curtis has recommended. I am content to leave it that way. I might add that in this matter which affects the conscience of all members, the members of this party personally are free to vote in any way they wish on any of these amendments.

Since the debate has taken a rather wide-ranging turn on this subject, I shall take the opportunity to say what I believe in general terms is the view of most members of this party although, as I have said, we are not bound to vote in any particular way on any amendment. Having said that, I should like to say that in general terms we support what the government is doing. I have always had a dislike for omnibus bills, but in this case the bill at least has the merit of dealing all the way through with pensions. It is true that some of these pensions relate to Members of Parliament and others relate to civil servants and members of the RCMP; but no matter what the category, all individuals concerned are or have been paid by the federal government. In every case the individuals were or are paid by the taxpayers of Canada. In that sense there is a common thread through the whole bill from beginning to end.

I agree with the statement I believe the the hon. member for Winnipeg North Centre (Mr. Knowles) made, to the effect that it is up to the individual member to express what he believes to be his own thoughts on the matter and what his own conscience forces him to say. I agree with that, but in that process I think people should attempt to be as objective as possible. I thought one thing the hon. member for Winnipeg North Centre said was extremely unfair so far as public relations between Members of Parliament and the general public are concerned.

I hope his statement was unintentional. I shall paraphrase what I believe he said. He indicated he would go along with the improvement to the retirement plan for Members of Parliament only if it applied to all other categories of pensions, including the pensions of civil servants. I believe thereby he left the impression that every benefit that is available to civil servants is also available to Members of Parliament. It is because that is not the case I feel most strongly that amendments to the Members of Parliament Retiring Allowances Act are long overdue. I am sick and tired of having the hat passed around for the children of some deceased Member of Parliament.

Some hon. Members: Hear, hear!

[Mr. MacLean.]

Mr. MacLean: The time is long past when the orphans of Members of Parliament should receive the same relative benefit that is received by orphans of civil servants.

• (4:10 p.m.)

Secondly—and this is most important—I see no reason why a Member of Parliament should not be just as entitled as is a civil servant to calculate his benefits from his best six years of service multiplied by the years of service. I see no reason why the Solicitor General (Mr. McIlraith), for example, should have had to serve three years in this chamber some years ago to obtain the same benefit as a member now gets for serving one year. I think this is an amendment that is long overdue and if adopted, will only bring us into line with the civil service.

There are other points. For example, in some cases, at least, civil servants who served in World War II could include the years which they spent in military service for superannuation purposes. We are precluded from that and always have been. I think—although I do not want to go into that question now—the time is long overdue when there should be a further integration of pension plans in all cases where the federal government is the employer, so that if one moves from the civil service to the House of Commons, or vice versa, and has been in the armed services one should continue to accumulate pension benefits. We would then be in the same position as someone who stayed in the armed services throughout.

I do not want to be personal in this matter, but some people say, "I wonder if I am worth this?" Frankly, I have no hesitation in saying that most Members of Parliament I know are entitled to the benefits which these amendments will bring them. We should not forget that according to the latest figures available, for every Member of Parliament in this country there are 1,399 civil servants. I have the highest respect for civil servants but among that number there must be at least one who will receive a far larger pension than any Member of Parliament will ever see, and the same applies to the armed services.

If I were to cite a personal case, my contemporaries who were in the same class as I when I joined the armed services just before the beginning of World War II retired two or three years ago, and depending on their rank many have a higher pension than any of us here will ever obtain. Like them, I had the opportunity of staying in the services with a

permanent commission. They, too, are employees of and are paid by the federal government. Please understand, Mr. Speaker, that I do not object to the rates of pensions paid either to civil servants or retired members of the armed services, but I do not subscribe to the philosophy that by humiliating ourselves and going around in sackcloth and ashes we will thereby win the adulation of our constituents.

Some hon. Members: Hear, hear!

Mr. MacLean: If that is the only way to do it, then I will not adopt that method. I want to say also that there is a great deal of misunderstanding about retiring allowances of Members of Parliament among the general public, and I think that the members of the press here have a responsibility because they should know what they are talking about when they write about the bed of roses in which we in Parliament loll. They usually use the figure of the maximum pension that is available to Members of Parliament. The maximum that exists now is $9,000, which takes 30 years to attain. With the amendment, the maximum will be $13,500 after 25 years of service.

I want to inform the House that since P.E.I. came into Confederation, which is almost 100 years ago now, six members represented P.E.I. for some years, and four members since that time, and not one of the members who sat in this House from Prince Edward Island would ever have qualified for the maximum either under the present system or under the amendments. So we have to look at averages.

It has been said that this is an inopportune time for amending the act. There is always an inopportune time for doing anything, I suppose. I point out in this connection that any member who has been here since 1963 will have to make retroactive payments, in addition to his regular payments, of approximately $4,410 plus interest to cover the seven years. No member will benefit from his pension until after the next election. The only people who can possibly benefit between now and then will be some of our widows and orphans, if we do not happen to make it to the next election.

I think that this is all I want to say except to point out that the insecurity of service here makes it impossible to compare a retirement plan for Members of Parliament which would give a minimum of security to widows and orphans, with any scheme that might be used in either the armed services or the civil service which provides almost complete security of tenure. Anyone who does a reasonably good job in the civil service is perfectly secure in his employment so long as his health lasts, and even that is taken care of. That is not so in Parliament. You can be the best member in the House, but due to political trends or accident be defeated.

Mr. Woolliams: People ask you to leave so nicely.

Mr. MacLean: In my short time here I have seen about 1,000 members in this chamber. There are only 264 of them now here. Most of the remainder retired from this place, not of their own volition but because the majority of the people they represented thought it was a good idea.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt amendment No. 1? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, a recorded division on the proposed motion stands deferred.

• (4:20 p.m.)

According to agreement arrived at earlier this day, it is now my duty to put motions Nos. 2 to 8. Rather than do that, I suggest we consider the motions to be put and the votes to be deferred on them. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Then we will proceed to motion No. 9. Mr. Knowles (Winnipeg North Centre), seconded by Mr. Barnett, moves:

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by

deleting therefrom all of clause 21 except lines 24 to 32, both inclusive, on page 19, and lines 30 to 39, both inclusive, on page 20.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the light of the instructions from the Chair earlier today I understand that at this point comments are in order on motion No. 9, which you have just read, and also on motion No. 10, which is in the name of the President of the Privy Council (Mr. Macdonald). In view of the fact that we have had a pretty wide-ranging debate, I suspect we would all be satisfied if the debate at this time could be a bit shorter. Therefore my remarks at this point will be brief.

Perhaps I might deal with the two motions in reverse order and say that if motion No. 9 is defeated—in other words, if we are going to keep clause 21 in the bill—we shall be pleased to support the amendment moved by the President of the Privy Council, particularly because of the slight improvement it makes with regard to the pensions available to the orphans of Members of Parliament who die having been predeceased by their wives.

Motion No. 9, Mr. Speaker, is perhaps the most all-embracing of the whole group of 15 proposed amendments, but that does not mean that the discussion has to be extended. It deals with clause 21 of the bill which, as hon. members realize, covers about 14 or 15 pages. It is the clause in which are spelled out most of the terms of the new provisions for pensions for Members of Parliament. My amendment would strike out everything in those 14 or 15 pages except the part that would require us to pay one-half of one per cent into the fund for supplemental benefits, it being understood that in an earlier part of the bill it has already been provided that Members of Parliament are entitled to the escalation that is paid out of that fund. That, then, is the purpose of this amendment. As a matter of fact, it gets to the heart of what we in this party have been talking about all day, namely, that the portion of this bill dealing with Members of Parliament should do only what the bill as a whole is doing for all of those others who are covered by it.

Now, Mr. Speaker, I did not take exception to the words that the hon. member for Malpeque (Mr. MacLean) put in my mouth a moment ago because he was quite fair. At least, he did not do violence to what I said, but there was a slight difference which I think I am entitled to point out. He said that in light of what I said at an earlier point it appeared that I did not want to do anything for Members of Parliament at any time unless we were doing precisely the same thing for all others with regard to their pension plans. That is not what I said.

I recognize that there have to be some differences among the various pension plans, but what I objected to, what I still object to, and what most of my colleagues object to is the fact that in this bill when we are doing something with respect to pensions for all of us, all of us whose pensions come out of the Consolidated Revenue Fund, we have picked ourselves out to do something extra for ourselves, namely, to revamp our pension plan and recast it altogether.

The President of the Privy Council and others have said that this is a logical thing to do, that we are opening up the Members of Parliament Retiring Allowances Act, so why not do this now? By the same token, Mr. Speaker, this bill opens up the Public Service Superannuation Act, and there are things that need to be done to that act. So let us do them now. For example, a moment ago I said I had no objection to the proposal made by the President of the Privy Council in motion No. 10. One of the things it relates to is the pensions paid to widows, although his motion is imposing a slight restriction on their love life after they become widows. But may I point out that what we are doing with this combination is looking to the Public Service Superannuation Act, and we see in that act that the pensions available for the orphaned children of a deceased public service pensioner can go up to 80 per cent, and so we are saying, let us do the same thing for Members of Parliament.

That is a reasonable argument. But, Mr. Speaker, the civil servants then come along to us and say, "Why is it you take for yourselves a better point which you find in our act, but you won't do the reverse? You won't give us something for our act that in your act is better." I refer in particular to the provision for widows. One of the things civil servants are most anxious about is to have their plan amended so that widows will get at least a 60 per cent pension, comparable with the pension we pay under this plan to our widows.

Mr. Francis: Would the hon. member permit a question? Does he not agree that the public service superannuation plan payments actually made to widows are substantially in excess of payments that would be made, even under these amendments, to the widows of Members of Parliament, and that the specious

comparison between 50 per cent and 60 per cent ignores the very basis of the contributions under the two plans?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, I do not agree at all with what the hon. member has said, and I have not agreed with him all day. He quotes statistics regarding the old plan and then tries to say that the same statistics apply to the new one. The number of widows getting pensions under the old plan is very few. In the first place, there was no provision for a widow's pension at all from 1952 to 1963. Since then there have not been very many given, so that to compare these few examples with the total number of widows' pensions given under the Public Service Superannuation Act is a false comparison, and to try to tell us that the conditions that applied before are going to be the conditions under the new scheme, the new régime, is also quite false.

Under the new scheme the pensions that Members of Parliament will be able to draw will be larger. There will be more of them, and as time goes on there will be more widows and their pensions will compare very favourably with the pensions of the widows of civil servants. And as we get our $8,000, $10,000 and $12,000 pensions it must be remembered that the pensions of our widows will be 60 per cent of those amounts, and in the case of the widows of civil servants they will get only 50 per cent of the amount of their husbands' pensions. I say to the hon. member for Ottawa West (Mr. Francis) that he is wrong again, even as he has been wrong two or three times already today. The comparison the hon. member is making is an erroneous one, and I say again that we are taking for ourselves a good thing that we find in the Public Service Superannuation Act, namely, an 80 per cent ceiling on pensions for our children, but we will not give to them from our act a better deal, namely, 60 per cent for their widows.

I suggest to the President of the Privy Council and others who stand up and say, "Oh, we are opening up our act so let us go through with this thing," that the same precept applies to all the other acts. We are opening up the Public Service Superannuation Act, so let us cover some of the crucial points that are of concern to those people. But if we are not prepared to meet any of these points that the public servants are calling for, we have no moral right in this bill, which does one thing for everybody, to give this special privilege to ourselves.

• (4:30 p.m.)

Mr. Speaker, this morning the hon. member for Ottawa West tried to suggest that in my speech on March 10 I described the existing plan as a generous one. I think he has had occasion to look at my remarks since then and I am sure he realizes that when I talked about the plan being too generous, I was talking about the new one. It is there in two or three places, and I have checked it. There is even a paragraph in that speech where I said that we thought the old plan was generous when we brought it into effect in 1952. But those like M. J. Coldwell who are now getting only $3,000 a year know that it is not. Incidentally, with respect to those expressions of concern for Mr. Coldwell, may I ask what we are doing for him under this bill? He has been out since 1958, 12 years, so he will get about a 25 per cent increase in his $3,000 a year pension. It will go up to only $3,750.

An hon. Member: Shame!

Mr. Knowles (Winnipeg North Centre): He was here for 22 or 23 years, but members here today who serve as long as he did will draw a pension of $12,000 or $13,000. I say to my hon. friend from Pembina (Mr. Bigg)—

Mr. McGrath: Two wrongs don't make a right.

Mr. Knowles (Winnipeg North Centre): —that I agree with the point he made about the higher pension that people now retiring from the RCMP receive compared to the pension he receives. He need not be concerned that some of us have not worried about pensions for the RCMP and retired armed forces personnel; we have for a long time.

In this very debate I have been arguing the case of the war veterans allowance recipients who, when they get an increase in their civil service pension under this bill, will have it taken away by the means test in the War Veterans Allowance Act. I have waited each time for a voice to be raised from some other party in support of my contention. In committee the only other voice raised was by one who said it could not be done there, except for the minister who said the government had decided not to do anything about it. Who is it who has contended that we should not again penalize the veteran on the war veterans allowance? It is this member standing here right now, the member for Winnipeg North Centre.

Mr. Francis: Mr. Speaker, I rise on a point of personal privilege. The point was made

very clearly in committee that there are a number of anomalies under the War Veterans Allowance Act that can only be corrected under that act. This is not the act to correct them.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is no point of privilege. The hon. member is as dead wrong on this as he has been on it all along.

Mr. Woolliams: How is it you are always right?

Mr. Knowles (Winnipeg North Centre): Bill C-194 does not amend just one statute, it amends 15 or 20. It is an omnibus bill and it amends every statute that the government found it necessary to amend to carry out its purpose. If the government was willing to carry out as its purpose that war veterans would not lose the increase they will get in their retired civil service pension, this is the place to do it. If it is not done here, it will not be done.

I can see the day coming when members of this House will ask questions and complain because war veterans on the allowance are not getting the benefit of the increase in the civil service pension, yet they are saying nothing now. I say, Mr. Speaker, the operation we are going through is full of this kind of thing, where we are doing one thing for pensioners in the civil service generally but doing a special thing for ourselves.

The hon. member for Ottawa West is concerned about the 88 per cent of the people who have contributed under the Members of Parliament Retiring Allowances Act since 1952 but who do not qualify for a pension. Of course, that includes all those who were elected only once or twice and it may even include some who have died and, of course, they do not get it. People coming to the civil service and working only four or five years do not get a pension either, and people who go into industry but do not work the minimum amount of time do not get a pension. Does the hon. member want us to come to the situation that when a person is selected once or twice he is on pay for the rest of his life? If that is what he wants, let him say so. Let us start by calling it a guaranteed annual income. If we do it for ourselves, let us do it for everyone, but let us call it a guaranteed annual income.

Mr. Francis: Mr. Speaker, there again the hon. member knows what I said. I am supporting the measure before this House which says six years; I am not supporting anything else nor am I alleging anything else. For the hon. member to suggest that I am somehow implying that everyone who is elected to Parliament can get a guaranteed income for life is the kind of distortion that is not worthy of the hon. member.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member is supporting a scheme under which anybody who gets elected twice, because six years is about that, qualifies for a pension. Oh, yes, and on that basis he will qualify. He was elected once, then defeated, then elected again and if this bill goes through he qualifies. If he is here for only six years, he qualifies for $3,780 a year for life.

I may have this protestant ethic or viewpoint that was referred to by one of my colleagues; I may look like a person who likes to lie on a bed of nails. I can live frugally, and all the rest of it. Maybe I come from that kind of constituency that is made up mainly of working class people who don't know pensions of that kind. I think that $3,780 a year after six years of service at whatever age you might be—30, if you please, becomes possible—for the rest of time is a pretty generous deal that we are providing for ourselves with this legislation.

I am sorry I got off into that, because that is not the issue. Whether it is mildly generous, moderately generous or too generous, the issue, as was so well stated earlier today by the hon. member for York South (Mr. Lewis), is that we have a bill here in which we are doing one thing for everybody but we have imported into it not only that one thing for ourselves but this special deal. Mr. Speaker, I do not think it is fair and I do not think we should be doing it.

I have more notes, Mr. Speaker, but time is going on and I think during the course of the day we have made our position clear. I said earlier today that some of us know what consistency will call for in respect of this matter. I think we should be concerned as a Parliament as to whether or not we have the right, in face of the austerity and restraint we are preaching, to do this special thing for ourselves which we are not doing for others. I think we should not, and that is why I have presented motion No. 9, to delete all that portion of clause 21 except the portion that would require us to pay one-half of one per cent into the fund for supplementary benefits.

This would put us, so far as this bill is concerned, in the same position as everybody else.

If things have to be done to change the Public Service Superannuation Act to put the widows of public servants in the same position with respect to pensions as applies to the pensions we are providing for our own widows, let us make those changes. Let us not do something special for ourselves, which I think is a case of smuggling into this bill something that does not belong there at all.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to make one or two remarks about the amendment in the name of the President of the Privy Council (Mr. Macdonald). What I want to say is really in the form of a question, but I do not see the President of the Privy Council here at the moment though perhaps there is somebody else who will be able to explain it. When he introduced the amendment the question was asked whether "widow" also meant "widower". I should like to pose the question: Why should the pension cease on remarriage in the case of a widow? If a pension is an entitlement, why should it not continue? As far as I can check out that part of the section, if widow means widower it means in effect that if a widower remarries his pension ceases.

It seems to me that concept is rather outmoded. Why should the question of whether you are going to lose a pension enter into the question of marriage? It seems to me this is a carryover of a rather archaic concept. A woman is necessarily an economic dependent of her husband. In this case it means that in reverse a man may become the economic dependent of his wife. I am wondering whether this particular aspect has been considered by the government and just what is the purpose of the President of the Privy Council in proposing this particular provision detail in amendment No. 10.

• (4:40 p.m.)

I agree with the hon. member for Winnipeg North Centre (Mr. Knowles). If the part he referred to is to remain in the bill, I would agree with the other part of the amendment proposed by the President of the Privy Council. I am puzzled by the second part of the amendment particularly, since "widow" includes "widower". Could anybody on the government side comment on this matter?

Mr. Caccia: Mr. Speaker, this type of question can best be pursued in committee. Perhaps the hon. member for Kenora-Rainy River (Mr. Reid) could reply.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, this question was extensively debated before the Standing Committee on Health, Welfare and Social Affairs. The matter referred to was raised at page 913 in Minutes of Proceedings and Evidence No. 9, by the hon. member for Lanark and Renfrew (Mr. McBride). At page 915 of that report the President of the Privy Council (Mr. Macdonald) said in part:

> Extensive consideration was not given to this point. I think the experience is that most of the other pension plans the government of Canada is responsible for, including the Canada Pension Plan, have a provision resembling this one. In effect, the supplementary changes were only to generally change the financial terms to increase the benefits. So this was not given a fundamental review at the time.

Earlier, at page 913, Mr. H. D. Clark, director, Pensions and Social Insurance Division of the Treasury Board, said:

> I might just mention, Mr. Chairman, that the Public Service Superannuation Act also provides for termination of the widow's benefit on remarriage and there were in the fiscal year 1968-69, 108 of these cases under the Public Service Superannuation Act. So in the over-all scheme of things there are a fair number affected each year.

At that time there was a general discussion in committee as to the general advisibility of asking the committee to take the matter up in a general way at a later date, but the chairman ruled that was beyond the bounds of the bill. There was an indication the matter would be dealt with when the white paper on social security was brought down.

Mr. Barnett: Mr. Speaker, may I be permitted to thank the hon. member for Kenora-Rainy River (Mr. Reid) for explaining the matter. I will go along with the idea of instituting this proposal under the Public Service Superannuation Act.

Mr. Murray McBride (Lanark and Renfrew): Mr. Speaker, we should not misunderstand what the hon. member for Kenora-Rainy River (Mr. Reid) has said, and therefore it is important to discuss the matter at the earliest opportunity in committee. The matter, of course, was touched on by my hon. friend for Comox-Alberni (Mr. Barnett). We should consider what happens to the widows and children of hon. members who have died. Pension benefits are usually cut off when a widow remarries, the idea being that the children will be supported by their stepfather.

My comment is serious although it may appear facetious. Rules like that in pension regulations means that a woman sometimes may be encouraged to live, shall we say, common law, in sin or in a similar condition with another man. Let us take a hypothetical case. A woman may be faced with a choice of entering into blissful or otherwise holy matrimony and giving up a sizeable pension, or steering clear of matrimony and keeping the pension: it seems that monetary and romantic considerations both are involved in the point.

Mr. Deputy Speaker: The question is on motion No. 9. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

The next motion is No. 10, in the name of the President of the Privy Council (Mr. Macdonald). Pursuant to section 11 of Standing Order 75, the recorded division on motion No. 10 stands deferred.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, does anyone wish a recorded division on motion No. 10?

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): On that point of order, Mr. Speaker, I think it is quite clear that the voting on motion No. 10 must wait until after motion No. 9 has been disposed of. Perhaps we could ascertain at that time whether a recorded division is necessary.

Mr. Monteith: Everyone accepts the proposal.

[Mr. McBride.]

Mr. Deputy Speaker: Perhaps I was misunderstood. My understanding is that the question is deferred.

Mr. MacLean: Mr. Speaker, I do not see how the question can be deferred unless the question is put and there is unanimous consent to deferring it. I believe it is only the recorded vote that can be deferred.

Mr. Caccia: Mr. Speaker, I believe the understanding was that if motion No. 9 were defeated, motion No. 10 would be put to the House and agreed to unanimously.

Mr. Knowles (Winnipeg North Centre): That is correct.

Mr. Deputy Speaker: Is that point clear?

Mr. Knowles (Winnipeg North Centre): It is clear in our minds, anyway.

Mr. Deachman: On a point of order, Mr. Speaker. Some of us are slightly confused by what has gone on. Has the question been put on motion 10, and has the motion carried? First, has the motion been put?

Mr. Deputy Speaker: My understanding is—and this is what I thought was the understanding of the House—that motion No. 10 can be put only after a decision on motion No. 9 has been taken. A decision on motion No. 9 has not been taken; it has been deferred. Therefore, I have deferred putting the question on motion No. 10 until after the decision on motion No. 9. Is that understood?

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Deputy Speaker: The question now is on motion No. 11, in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 22 of the said bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I shall take only a few minutes. It is understood that while speaking on motion No. 11 we are free to discuss motions 11 to 16 inclusive. I might point out that they all relate to changes being made with respect to Senators in the other place.

• (4:50 p.m.)

An hon. Member: You mean 11 to 16.

Mr. Knowles (Winnipeg North Centre): I thank my hon. friends. Yes, I mean 11 to 16. These amendments have the effect of opening certain options which Senators were given when they were placed on a retirement-at-75 basis, and they contain one or two other benefits which are being offered to them. My feelings about these proposals are similar to those I expressed earlier today with regard to those which affect ourselves, except that I feel even more strongly about them.

This bill would re-open certain options to Senators, some of them having decided, it would seem, that they chose the wrong option previously. I think it is a little much to allow them to go into that again. I think of the dozens of letters I receive from railroaders and others on pensions who want certain options to be opened or re-opened, but who are told this cannot be done because it would be in violation of the terms of a contract.

This amendment of mine would, therefore, remove all those portions of the bill relating to what is being done for the Senators except for clause 28 which would require them to pay one-half of one per cent to help pay for the supplementary benefits which they, too, will receive. I hope the House will support motions 11 to 16 inclusive.

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) moves:

That Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Funds and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 22 of the said bill.

Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: This vote will be deferred in accordance with Standing Order 75 (11).

Pursuant to the agreement arrived at earlier this day, may I suggest that motions 12 to 16 which were to have been debated at this time be deemed to have been put, and votes deferred on them and embraced within motion No. 11? Is that agreed?

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Deputy Speaker: Does the House wish a recorded division on motion No. 1 now?

Mr. Knowles (Winnipeg North Centre): Call in the members.

Mr. Deputy Speaker: The question is on motion No. 1, moved by the hon. member for Winnipeg North Centre (Mr. Knowles), as follows:

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 13 of the said bill.

The House divided on motion No. 1 (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

• (5:00 p.m.)

YEAS

Messrs:

Barnett
Benjamin
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Peters
Saltsman
Thomson (Battleford-Kindersley)
Winch—12.

NAYS

Messrs:

Aiken
Allmand
Anderson
Badanai
Baldwin
Bell
Benson
Bigg
Blair
Borrie
Buchanan
Caccia
Cadieux (Labelle)
Chrétien
Clermont
Comeau
Crossman
Cullen
Cyr
Deachman
Dionne
Forget
Foster
Francis
Gauthier
Goode
Gray
Hales
Hellyer
Hogarth
Hopkins
Howe
Isabelle
Knowles (Norfolk-Haldimand)
Laing (Vancouver South)
Latulippe
Lefebvre
Loiselle
Macdonald (Rosedale)
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
MacRae
McBride
McGrath

Division

Mahoney	Pringle
Marchand (Kamloops-Cariboo)	Prud'homme
Monteith	Reid
Muir (Cape Breton-The Sydneys)	Rochon
Munro	Rock
Murphy	Simpson
Nesbitt	Stafford
Nowlan	Stanfield
Orange	Stewart (Cochrane)
Ouellet	Sulatycky
Penner	Turner (London East)
Pepin	Watson
Perrault	Whicher
Pilon	Whiting
	Woolliams—74.

• (5:10 p.m.)

Mr. Deputy Speaker: As agreed earlier, we will now deal with motions Nos. 2 to 8 inclusive on a single division. The motions are as follows:

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 14 of the said bill.—*Mr. Knowles* (Winnipeg North Centre).

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 15 of the said bill.—*Mrs. MacInnis.*

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 16 of the said bill.—*Mrs. MacInnis.*

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 17 of the said bill. —*Mrs. MacInnis.*

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 18 of the said bill.—*Mr. Barnett.*

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 19 of the said bill.—*Mr. Barnett.*

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 20 of the said bill. —*Mr. Barnett.*

[Mr. Deputy Speaker.]

The House divided on motions Nos. 2 to 8 inclusive which were negatived on the following division:

YEAS

Messrs:

Barnett	Mather
Benjamin	Nystrom
Harding	Rose
Knowles (Winnipeg North Centre)	Saltsman
Lewis	Thomson (Battleford-Kindersley)—11.
MacInnis (Mrs.)	

NAYS

Messrs:

Aiken	MacInnis (Cape Breton-East Richmond)
Allmand	MacLean
Anderson	Macquarrie
Badanai	MacRae
Baldwin	McBride
Bell	McGrath
Benson	Mahoney
Bigg	Marchand (Kamloops-Cariboo)
Blair	Monteith
Borrie	Muir (Cape Breton-The Sydneys)
Buchanan	Munro
Caccia	Murphy
Cadieux (Labelle)	Nesbitt
Chrétien	Nowlan
Clermont	Orange
Comeau	Ouellet
Crossman	Penner
Cullen	Pepin
Cyr	Perrault
Deachman	Peters
Dionne	Pilon
Forget	Pringle
Foster	Prud'homme
Francis	Reid
Gauthier	Rochon
Goode	Rock
Gray	Simpson
Hales	Stafford
Hellyer	Stanfield
Hogarth	Stewart (Cochrane)
Hopkins	Sulatycky
Howe	Turner (London East)
Isabelle	Watson
Knowles (Norfolk-Haldimand)	Whicher
Laing (Vancouver South)	Whiting
Latulippe	Winch
Lefebvre	Woolliams—76.
Loiselle	
Macdonald (Rosedale)	

Mr. Deputy Speaker: The question is now on motion No. 9 which is as follows:

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom all of clause 21 except lines 24 to 32, both inclusive, on page 19, and lines 30 to 39, both inclusive, on page 20.—*Mr. Knowles* (Winnipeg North Centre).

The House divided on motion No. 9 (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

YEAS

Messrs:

Barnett	Mather
Benjamin	Nystrom
Harding	Rose
Knowles (Winnipeg North Centre)	Saltsman
Lewis	Thomson (Battleford-Kindersley)—11.
MacInnis (Mrs.)	

NAYS

Messrs:

Aiken	MacInnis (Cape Breton-East Richmond)
Allmand	MacLean
Anderson	Macquarrie
Badanai	MacRae
Baldwin	McBride
Bell	McGrath
Benson	Mahoney
Bigg	Marchand (Kamloops-Cariboo)
Blair	Monteith
Borrie	Muir (Cape Breton-The Sydneys)
Buchanan	Munro
Caccia	Murphy
Cadieux (Labelle)	Nesbitt
Chrétien	Nowlan
Clermont	Orange
Comeau	Ouellet
Crossman	Penner
Cullen	Pepin
Cyr	Perrault
Deachman	Peters
Dionne	Pilon
Forget	Pringle
Foster	Prud'homme
Francis	Reid
Gauthier	Rochon
Goode	Rock
Gray	Simpson
Hales	Stafford
Hellyer	Stanfield
Hogarth	Stewart (Cochrane)
Hopkins	Sulatycky
Howe	Turner (London East)
Isabelle	Watson
Knowles (Norfolk-Haldimand)	Whicher
Laing (Vancouver South)	Whiting
Latulippe	Winch
Lefebvre	Woolliams—76.
Loiselle	
Macdonald (Rosedale)	

• (5:20 p.m.)

Mr. Deputy Speaker: The House will now consider motion No. 10 in the name of the President of the Privy Council (Mr. Macdonald):

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by striking out lines 32 and 33 on page 17 and substituting the following:

"widow is dead, eight-tenths of the basic allowance." and by striking out line 10 on page 18 and substituting the following:

"in approximately equal instalments commencing immediately after the death of the member or former member, and in the case of an allowance payable to the widow shall continue during her natural life but shall cease on her remarriage."

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The House will now, in accordance with the previous agreement, consider motions Nos. 11 to 16 inclusive in a single group. The motions are as follows:

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 22 of the said bill.—*Mr. Knowles* (Winnipeg North Centre).

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 23 of the said bill.—*Mr. Knowles* (Winnipeg North Centre).

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 24 of the said bill.—*Mr. Knowles* (Winnipeg North Centre).

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 25 of the said bill.—*Mr. Saltsman.*

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 26 of the said bill.—*Mr. Saltsman.*

That Bill C-194, an act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, be amended by deleting therefrom clause 27 of the said bill.—*Mr. Saltsman.*

Division

The House divided on motions Nos. 11 to 16 inclusive which were negatived on the following division:

YEAS

Messrs:

Barnett
Benjamin
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Peters
Rose
Saltsman
Thomson (Battleford-Kindersley)
Winch—13.

NAYS

Messrs:

Aiken
Allmand
Anderson
Badanai
Baldwin
Bell
Benson
Bigg
Blair
Borrie
Buchanan
Caccia
Cadieux (Labelle)
Chrétien
Clermont
Comeau
Crossman
Cullen
Cyr
Deachman
Dionne
Forget
Foster
Francis
Gauthier
Goode
Gray
Hales
Hellyer
Hogarth
Hopkins
Howe
Isabelle
Knowles (Norfolk-Haldimand)
Laing (Vancouver South)
Latulippe
Lefebvre
Loiselle
Macdonald (Rosedale)
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
MacRae
McBride
McGrath
Mahoney
Marchand (Kamloops-Cariboo)
Monteith
Muir (Cape Breton-The Sydneys)
Munro
Murphy
Nesbitt
Nowlan
Orange
Ouellet
Penner
Pepin
Perrault
Pilon
Pringle
Prud'homme
Reid
Rochon
Rock
Simpson
Stafford
Stanfield
Stewart (Cochrane)
Sulatycky
Turner (London East)
Watson
Whicher
Whiting
Woolliams—74.

Hon. Donald S. Macdonald (President of the Privy Council) moved that Bill C-194, to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

[Mr. Deputy Speaker.]

Mr. Deputy Speaker: When shall the said bill be read the third time?

Some hon. Members: By leave, now.

Mr. Knowles (Winnipeg North Centre): Next sitting of the House.

Mr. Deputy Speaker: Next sitting of the House.

Order, please. I understand the Minister of National Health and Welfare (Mr. Munro) wishes to revert to Motions for the purpose of tabling a document.

Mr. Baldwin: Mr. Speaker, we are glad to give our consent but let me say, as a caveat, that it is not the intention of this party to give consent from now on to motions which are not made at the appropriate time unless there is justification for this being done, and we do not consider justification to be the need to synchronize with press releases.

ROUTINE PROCEEDINGS

SPORTS

TABLING OF DOCUMENT COVERING ADMINISTRATION OF MONEY FOR NATIONAL GOVERNING BODIES

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have a very short statement indeed. I desire to table a document. The main emphasis in the policy embodied here is a substantial reorientation of financial resources in the program to give more adequate backing for the administration of the money of the national sports governing bodies.

In that connection, Mr. Speaker, and on this general subject matter of sports, I should like to recognize two youth ambassadors from Saskatchewan who are travelling across Canada inviting all provinces to participate actively in the 1971 Canada Winter Games at Saskatoon. The young ambassadors to whom I refer, Marie Robson and Bill Ehman, are outstanding athletes.

Some hon. Members: Hear, hear!

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, in respect of the short statement made by the minister, along with all other members of the House I am very pleased that these two young athletes are with us today. We certainly wish them success in their travels across the country.

However, in respect of the smuggling-in of the minister's statement at this time of day, I suggest that perhaps the minister should have taken a hard look at the statement because it is rather ambiguous. The statement became available to members of the opposition only very recently, but in the brief review I have had of it, it would seem that the minister has gone astray on several issues. There is no question that if the statement had been presented in the normal way, the minister would have to be a good deal more physically fit than he is, because it is a rather lengthy document. It would have to be tabled, in any event.

On the subject of physical fitness, I repeat that the minister's document is very ambiguous. I suggest he should review it. To give an example, he might look at page 3 and then go on to page 13, where he will see that he crosses himself up. However, in order to keep in form with the minister's brief statement, I shall also be brief.

• (5:30 p.m.)

I think it is rather shameful that he did not put his foot down and get this done the way he wanted, rather than allowing it to kick around for months. I hope that the intention of Members of Parliament will be fulfilled with the support of the minister, who needs to be fit probably more than most of us, in respect of providing something for the members of this august chamber who need much in the way of physical fitness facilities. As the minister indicated, physical fitness does not enable everybody to perform his duties a lot better. However, there is no question that the more physically fit you are, the better you are able to think, and I think it is time this government started a physical fitness program for themselves in order to help them in their thinking.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, it is a great pleasure for me to be able to reply to the statement on motions of that great athletic supporter, the Minister of National Health and Welfare (Mr. Munro). It is ironic, I think, that this government's much-touted and long-awaited sports policy for Canadians was tabled exactly on the day we learned of the collapse of Canada's amateur hockey team, the Nats. The Nats were shafted because the team had no place to play once the International Ice Hockey Federation ruled out the use of nine professionals on the Canadian team.

So in one sport at least the control of the commercial interests is now locked up. The minister's proposals cover a 50-page document chock-full of high-sounding phrases and good intentions. I was particularly interested in words like "participation", "involvement" and "status" which abound throughout. Sociological jargon such as "other directed" and "non goal oriented" appears there too, but I take it that "non goal oriented" is a phrase not specifically meant to apply to the Toronto Maple Leafs, although judging by their recent performance it fits. In any event, I hope that the minister, by dropping names of profound social thinkers like David Reisman and Paul Goodman, is not attempting to intimidate those of us who are not as well educated.

The report calls for such things as equal opportunity to play, the fun aspect of sports and industrial recreation, with which few could quarrel. It criticizes our North American work ethic as it has extended itself into sports, and at least in the lengthy preamble of the sports policy, enjoyment is stressed and competition played down. We in this party support the point of view that for too long the sole justification for mass sports activity on the part of Canadian children was to provide a screening device by which the athletic elite—the pros and the champs—could be identified and hothoused. "To win at all costs" is a phrase exchanged for the theme of "play and play the game", and rightly so. We feel that by broadening the base of sports activity, a higher pinnacle of international competition could be rationally achieved.

That Canada has a sorry record in both sports participation at home and international competition abroad is self-evident. For far too long, since 1961, the National Advisory Council on Fitness and Amateur Sport has professed to encourage mass participation but approves grants much more liberally for large national and international sports meets. Authorized spending by this body of $1 million rising to $5 million has never been closely approached, and it will be seen that what was spent went largely to the elite and not the masses. This emphasis may well continue, for after you wade through all the verbiage of the minister's report it will be found such proposals as Ottawa office space for government bodies, travel expenses for executives and paid executive directorships for priority sports may continue to encourage a sports bureaucracy with little to support it.

While agreeing that financing is far from the whole story behind our low-grade sports performance, there is no doubt there has been in sports, as in other economic areas, a star-

vation of public goods in favour of private ones. Those sports which are not marketable have a much more difficult time attracting private financing than do the others. Business in our affluent society only encourages mass participation in sports by those who are financially capable of consuming, such as skiing and golf.

The proposition of charitable tax exemptions to patrons of sports, such as outlined in the report, it seems to me may increase the amount of money available for such sports, but what I would be particularly interested to know is which sports will be selected and who will really control the priorities as to which sports are to be so favoured. Obviously, the man who pays the piper. This system may well perpetuate the ugly ramifications that the earlier part of the report pretends to abhor.

There is a certain fuzzy vagueness about this interim white paper on sports. What we and the public would like to know is whether this paper is really window-dressing or whether the government really means it this time. We know, for instance, that while the minister possessed the authority to do it, to date he has done absolutely nothing to democratize the major Canadian professional sports of football and hockey. How have players in these sports been helped by the minister, who professes such noble intentions, to have more say about their contracts and game rules? However, whenever there is an important sports announcement to be made, we can expect for certain to see our minister bathed in the full light of television publicity

After we have cleaned all the dust away, how precisely are the lower and middle-income groups going to achieve greater participation? Where do you put facilities in the dense urban parts of our cities without slum clearance destroying housing? Where are the proposals to grant funds directly to the communities that need it for non-competitive, recreational facilities?

I should like to say, in conclusion, that the paper ends with a long-term challenge for Canadians. The question is: How long, oh Lord, how long? All grandstanding aside, it should be the right of every Canadian, handicapped or not, to participate in a sport of his own choosing at his own level.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, I wonder if I could confirm the business of the House for Monday. The first item to be called will be third reading of the bill that was under debate today, to be followed by the report stage of Government Order No. 72, the consumer textile articles bill, to be followed by Government Order No. 78 with regard to the Industrial Research and Development Incentives Act, to be followed finally by Government Order No. 47, second reading and debate on the standards council of Canada.

At 5.40 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 23, 1970

The House met at 2 p.m.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF PRESIDENT OF FRENCH NATIONAL ASSEMBLY

Mr. Speaker: I am most happy to point out to the House that a distinguished visitor is in attendance in the Speaker's gallery. He is Mr. Achille Peretti, President of the French National Assembly. For his hosts at least, Mr. Peretti's stay in Canada, which is coming to a close today, will have been too short. Mr. President, we are greatly honoured to welcome you to our Parliament, and my colleagues and myself sincerely hope that you will long keep pleasant memories of your trip to Canada.

Very fortunately for us Mr. Peretti is accompanied by a colleague who has shown unwavering sympathy to the Canadian people and Parliament, Mr. Lucien Neuwirth, Questor of the French National Assembly.

[*English*]

On behalf of hon. members I am delighted to welcome our distinguished visitors. It is worthy of note, I think, that this is the first time a President of the French National Assembly has come to Canada as the officially invited guest of our Parliament. You have come here, sir, as a parliamentarian on a highly commendable mission of good will. You are here today as a friend and we greet you, of course, as a friend.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Speaker: This message, which was brought to us by Mr. Peretti and which he imparted earlier to us in such eloquent terms, conveys the sincere and deep-felt affection of France and the French people for Canada. On behalf of my colleagues in the House, I must tell you, Mr. Peretti and Mr. Neuwirth, that the Canadian people, likewise devoted to an ideal of liberty while respectful of the parliamentary institution, sharing your language and your culture, keep their long-standing links of brotherhood and friendship with France.

• (2:10 p.m.)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as usual, you have said what was essential, but I am sure you will not grudge me the privilege of subscribing to your wishes. I have had the pleasure and the honour of meeting President Peretti in the past, when we were both carrying out other functions. I just want to be the spokesman of government members and to join with you in welcoming President Peretti.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I, on behalf of the members of this party, associate myself with what you and the Prime Minister said. I assume that you have had an opportunity to discuss with your distinguished confrere your mutual problems. He has left his behind in France; Your Honour still sees yours in front of you here. I realize that these problems exist. I suppose, sir, you will be able to tell your distinguished colleague that you have problems which to some extent he does not have.

The very fact that I am able to address Your Honour today in one of the two official languages would indicate to him that your problems are twice as many as his. In addition, sir, there are other difficulties which we are going through right now. England has a Prime Minister, the United States has a President, France has both, but we are not sure what we have.

I hope, sir, you will express on our behalf our hope that the visit of our distinguished guest will be pleasant and happy and that he will come back again to see the Canadian west and the Canadian north.

Some hon. Members: Hear, hear.

Mr. David Lewis (York South): Mr. Speaker, I do not think it is necessary to take any more time than to say that my colleagues and I join with you in expressing to the President of the National Assembly of France and to his colleague our very warmest greetings and our pleasure at seeing them in this chamber.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am pleased to join you in expressing the best greetings of the House to our famous visitor.

I live in the oldest part of the country which was discovered by French pioneers and which is close to the old capital founded by Samuel de Champlain. The presence of our distinguished visitor gives me the opportunity to remind the House of those facts.

Since you extended best wishes to the President of the French National Assembly, I am sure he will be happy to be greeted once more in his mother tongue in Canada.

[*English*]

ROUTINE PROCEEDINGS

AGRICULTURE

DAIRY SUPPORT PROGRAM FOR YEAR COMMENCING APRIL 1, 1970

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I wish to inform the House of the dairy support program for the year starting April 1, 1970. Before giving the details, I might refer briefly to the circumstances which have had to be taken into account in the formulation of the program.

The major consideration, to which I have referred on several occasions and which is widely recognized within the dairy industry, is that Canadian production of certain dairy products is substantially above the quantity which can be sold at the Canadian price support levels. This surplus, in the past, has been concentrated mainly in skim milk powder. More recently a surplus of butterfat has developed. Present rates of butter production and consumption are resulting in a surplus to the order of about 10 per cent of Canadian production.

There are continuing heavy world surpluses of dairy products and depressed international prices. The situation on skim milk powder has improved as a result of the minimum price arrangement under the GATT, in which Canada played on important part, but those prices are still well below Canadian levels.

The cost of disposing of Canadian surpluses is a heavy drain on the funds provided to support the dairy industry. This results not only in lower returns to milk and cream producers but also impedes progress towards the long-term objective of a more self-sufficient dairy industry. The program, therefore, must be designed so as to achieve a closer balance between the production of dairy products and Canadian requirements.

In considering the most desirable program we have had the benefit of thoughtful and useful presentations from many sources, including the report of the Standing Committee on Agriculture.

• (2:20 p.m.)

The dairy farmers' national organization, the Dairy Farmers of Canada, has presented a proposal which has created wide interest and which was endorsed in the report of the standing committee. This proposal is for a system of supply management through market share quotas. Under this, producers supplying milk or cream for processing into manufactured dairy products would have market shares related in total to Canadian requirements. For that quantity they would receive a price based on Canadian market prices for dairy products. Production in excess of that market share would be priced in relation to prices in international markets.

Since this involves pricing within a province, its adoption requires the co-operation of provincial agencies. My department, the Canadian Dairy Commission and the Dairy Farmers of Canada will pursue this actively with provincial authorities.

I turn now to the specifics of the program.

As hon. members know, there are two facets to the policy. One is the support of the market prices of major dairy products, which determines the market value of milk and cream to producers. The other is the direct producer subsidy.

There will be no change, as of April 1, from the product support prices established by the Canadian Dairy Commission for 1969-70. These are 65 cents per pound for butterfat, 20 cents per pound for skim milk powder and 46½ and 47 cents for cheddar cheese during the main producing season.

Producers are eligible to receive subsidy on their deliveries during the year up to the amount of their subsidy quota. The rate of subsidy for the year starting April 1, 1970, will continue at the 1969-70 level of $1.25 per 100 pounds of milk, or 35.71 cents per pound of butterfat.

Because of the cost of disposing of surplus dairy products there is a holdback, or deduction, from subsidy payments. On deliveries up to quota the holdback will remain at the same

rates as in 1969-70. These are 26 cents per 100 pounds of milk deliveries and 1 cent per pound of butterfat on cream.

The deduction from subsidy payments on milk deliveries in excess of quota will be $1.25 per 100 pounds. In the year just ending it has been 52 cents. On cream deliveries in excess of quota the rate will be 8 cents per pound of butterfat.

The net effect of this is that the position of producers whose deliveries do not exceed their subsidy quotas will be identical to that in the year just ending.

For those who exceed their quota, the value of the over-quota milk is reduced by $1.25 per 100 pounds. If the market price of milk is $3.60 delivered to the factory, the actual value of the over-quota milk is $2.35. In terms of value at the farm, the cost of delivery to the factory would have to be deducted from that.

At a farm value of milk around $2 producers certainly would want to consider the advantage of feeding excess milk to calves or other livestock rather than marketing it. With good veal calves at current levels of about 45 cents per pound, 100 pounds of whole milk will produce about $4.50 worth of gain. Even after allowing for other costs, returns from surplus milk fed to calves should be considerably more than from the market.

Various representations, including the report tabled by the standing committee, have pointed to the fact that some portion of the surplus products is coming from producers who are not within the subsidy program but who benefit from the price supports on dairy products. This involves mainly milk from fluid milk shippers in excess of that which is sold as fluid milk.

The Canadian Dairy Commission cannot secure a contribution from such producers toward the cost of surplus disposal through the holdback from subsidy payments. Nor can the commission make a direct levy from the market price of such milk, since that is not within federal jurisdiction. The commission could, however, make it a condition of the purchase or subsidization of any product under price support that the factory remit to it some amount to be fixed on all milk used by that factory from producers outside the subsidy program.

The commission will continue on an urgent basis discussions with provincial authorities and marketing agencies to develop a program for contribution toward the cost of surplus disposal from producers not now contributing to it. Some important areas have agreed to co-operate to that end.

Hon. members will appreciate that it is not possible at this time to make a precise estimate of the extent to which the measures which are to be taken will restrain excess production and, because of that, of the cost of surplus disposal in 1970-71 and the extent to which the levies will meet that cost. It may be necessary for the commission to revise those levels during the year. The subsidy rates, though, will continue for the full year.

While the main thrust of this program or changes in the program is the containment of production, the government recognizes the need to exploit actively opportunities for market development and increased utilization. To this end the government has just sponsored a technical mission to Europe, the objective of which was to explore and assess the potential of new or different uses for milk and milk products on the Canadian market.

The government proposes to place increased emphasis on the use of dairy products in its foreign aid program. In this connection Canada's increased pledge to the world food program should be noted. Consideration will also be given to assisting reconstituting and allied facilities in developing countries.

In conclusion, the program provides for precisely the same level of support in 1970-71 as in 1969-70 for those who restrain their deliveries to their subsidy quotas and thus co-operate in the essential objective of restraining excess production. At the same time it places a heavier and proportionate charge on milk and cream which contribute to the surplus in order to provide the funds necessary to move the excess product to market.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, the statement made today by the minister provides the dairy industry with an indication of the government program for the coming dairy year. The fact that the government was disinclined to reduce the government subsidy by the proposed $10 million will bring some comfort to the dairy industry and would indicate that a tribute is due to the members of this industry who protested so violently against this reduction.

As I listened to the minister and began to assimilate the portent of this announcement it became clear that there is little else in it that will bring any comfort to the dairy industry

of Canada. Under the terms and provisions set out here many more thousands of the dairymen of Canada will no longer be in business 12 months from now. The degree to which controls are spelled out one after another in this statement should cause the agricultural industry of this country to assess exactly what the proposed program of the government is, because the statement indicates in no uncertain terms the degree of government intervention in a once free enterprise industry.

When the National Dairy Commission was established it was thought by the dairy industry that it would have at its command access to all the pertinent information and statistics and that it would work with the dairy industry to promote the well-being of the industry and those engaged in it. But the first thing the National Dairy Commission did was to establish a system of quotas across the country and dairymen were paid a subsidy on the basis of those quotas. Subsequent steps show the degree of control that has been exercised. First, Mr. Speaker, no dairy producer received any consideration in the form of subsidy on shipping milk outside the quotas. Then the subsidy that was paid had subtracted from it the government costs of shipping surpluses out of the country, which further reduced the subsidy to the Canadian producers.

• (2:30 p.m.)

Now there is to be a third step. Not only are the first two commitments costing the dairy farmers a lot of money but the government has now indicated that it will assess a fine of $1.25 per hundred pounds on all milk produced beyond the quotas established by the government. Not only will the farmer not receive the market value for the milk he produces but he will be fined $1.25 per hundred pounds for any milk produced in excess of the quota. This is government intervention to the nth degree. It seems that the emphasis has been applied in the wrong direction. Instead of trying to curtail production in this country to meet the demands of a strictly domestic market and limiting international sales, this government should be directing its best emphasis toward putting this country into a competitive market position vis-à-vis other nations in the international field.

The minister has indicated that only now have we sent a commission to Europe to study what other dairy products may be introduced to increase domestic consumption and our share of the international market. Only now is the government investigating the possibility of sending our dairy products abroad to feed the hungry peoples of other nations. These decisions have come after the government has announced that our domestic production is to be curtailed. Would it not have been more logical, reasonable and businesslike if the government had taken these steps first in order to assess how much of our production could be utilized before deciding the degree to which dairy production should be curtailed? What has happened, Mr. Speaker, is just another indication that the government still does not understand the problems of the agricultural industry of Canada.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, we support the principle of market management with regard to dairying in Canada. We also support the idea of utilizing our surplus dairy products to feed hungry people, both at home and abroad. We think there are people in Canada who could well consume more of our dairy products; this is also true, of course, of the people of the hungry nations of the world. In this regard we think that some form of consumer subsidy ought to be considered to help needy groups in Canada acquire the necessary food.

The statement makes little or no mention of the increased costs facing dairy producers. The farmer has tried to increase his production to meet these increased costs, and that is one of the underlying reasons for the dairy surpluses. The government's refusal to face this awkward problem confronting the dairy farmers and, indeed, all farmers in Canada, will only add to their woes. If we permit our farmers to meet the problems posed by increased costs, other factors will fall naturally into line and may resolve themselves.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am deeply disappointed about the statement of the Minister of Agriculture (Mr. Olson) on the dairy policy for the year 1970-71. And when the producers of manufacturing milk know about it, they will surely approve the remarks which I intend to make.

In his statement, the minister thus resumes his policy:

—the program provides for precisely the same level of support in 1970-71 as in 1969-70, for those who restrain their deliveries to the subsidy quotas and thus co-operate in the essential objectives of restraining excess production.

Up to now everything is fine, because what had been requested has been granted. But the farm organizations, such as the C.F.U. and the Federation of Industrial Milk Producers had asked that the increased production costs be taken into account. They thought that, even if the government raised the export tax rate from 52 cents to $1.25, industrial milk producers would be able to have an income commensurate to their efforts and they would themselves have taken the necessary measures to avoid exceeding their quotas. But, at least, industrial milk producers would have been assured of an income compatible with the needs for the year 1970-71. The industrial milk sector is the only one that is to be penalized. I wonder why we are persistently being blamed for inflation, when all responsible people recognize that the price of industrial milk is not excessive.

The 10 per cent butter surplus is causing a lot of worry. Now that I have heard serious evidence from well-informed people in this field, I think that this surplus of 10 per cent is not harmful for Canada, but rather beneficent. If, during the year 1970-71, a drought should last for a few months, a reduction in the production would quickly result, such reduction could not be compensated during the following months. We must foresee such happenings. We should not worry about this surplus of 10 per cent, because it is the basis on which the dairy policy for 1970-71 was developed.

As a member of the committee, I feel that we have lost our time travelling in the eastern provinces to go and visit farmers and ask them their views about their financial situation and their annual income, because today we find that the government policy has been established even before the report of the Standing Committee on Agriculture had been presented to the House.

Mr. Speaker, it is my duty to keep on trying to co-operate with the government so that the necessary steps may be taken to help manufacturing milk producers control their production so as to avoid surpluses. But it is also incumbent on me to intervene vigorously in order that the cabinet does not cease to look at the situation and improve it during the year because I think it is quite unfair to penalize so many producers who for the most part are living in a certain province.

It is not to the advantage of Canada to have such a situation in view of the conditions now existing in Canada and in Quebec. In my opinion attempts should have been made to encourage those who really want to work for Canadian unity, and to have the same justice applied to all.

[*English*]

ACTION ON RECOMMENDATIONS OF BARBER COMMISSION ON FARM MACHINERY PRICES

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to make a brief report on the action the government has taken thus far with respect to the recommendations of the Barber Commission. I gave an undertaking to make this report and I am sure that hon. members in all parts of the House are interested in the action that has already been taken and will be taken on the Special Report on the Prices of Farm Machinery.

It will be recalled that Dr. Barber, in this report, made seven specific recommendations. These involved consultation and negotiation with the governments of the countries concerned and with the companies involved, negotiation and discussion aimed at making tractors from non-traditional sources available to Canadian farmers and the possibility of the imposition of a special "reverse dumping duty."

I am pleased, in this interim report, to be able to indicate that the government has taken and is continuing to take positive action in respect of six of Dr. Barber's recommendations. The seventh, that of a "reverse dumping duty", is under study, as are certain other alternative approaches.

Discussions between government representatives and those of the companies involved have led us to the conclusion that, in line with Dr. Barber's recommendations, one of the most effective approaches would appear to be that of increased competition in the Canadian market. I wish to report that interest in expansion has been expressed by a Canadian manufacturer and also that at least two and possibly three newcomers to the Canadian farm machinery scene are planning trial marketings for the current season. While the impact of these actions on prices and the market situation in general will doubtless be limited this year, we are convinced, with Dr. Barber, that this approach is sound.

• (2:40 p.m.)

In the meanwhile, the interdepartmental committee continues to work on the study and development of related actions that could supplement or reinforce those already under way.

Action Concerning Farm Machinery Prices

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I realize this is Holy Week and it is customary for those in the habit of doing so to make confessions. There are two types of sins which one usually confesses, sins of omission and sins of commission. This government is guilty of the sin of omission. In presenting this report the government has indicated there is nothing positive it can report at this time.

The same week that the Barber report was presented the Minister of Agriculture indicated he was already taking steps to consult with the machinery companies; yet he does not have any positive statement to make at this time. The minister has no encouragement for those farmers who have already purchased or may be purchasing farm machinery at prices which the Barber Commission indicated were high. The minister has not indicated that there have been consultations with regard to financing.

It is indicated in the fourth paragraph of the minister's statement that two or three machinery companies have shown interest in the Canadian market. I am not excited about the minister reporting that to the House at this late date because I read a report to that effect in the newspapers three or four weeks ago. Had the minister come into the House and stated that he had had discussions with the Minister of Finance who in turn had consulted with the banks and that the banks had indicated they would maintain a moratorium on the present rate of interest instead of advancing it from 5 per cent to 8½ per cent, I would feel that some positive action had been taken. However, he did nothing of the sort. If the minister had told us that the machinery companies, which finance much of the machinery sold, were prepared to lower their interest rates or to grant a moratorium on payments for machinery, I would have felt there was some positive action. He did nothing of the sort. In other words, there has been no commitment from any of the manufacturers at this time.

The minister stated that some foreign machinery companies will be entering the Canadian market. However, this will not help the dairy farmer in the east nor the prairie wheat farmer at this time. Everybody knows that a system of dealerships must be set up. If that is done, established dealers will go by the board.

Financing must be dealt with. What will happen with regard to trade-ins? Will these dealerships be prepared to accept trade-ins?

[Mr. Olson.]

What is going to be the value of the machines that may be purchased? In my experience I find that a machine bought on a short-term basis usually depreciates very rapidly. I can only say I am sorry that the time of the House has to be taken to listen to that type of report by the Minister of Agriculture.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the minister said he was pleased to report that the government has taken and is continuing to take positive action in respect of six of the recommendations of Dr. Barber. I have checked those recommendations. Among other things the report recommended that the companies concerned, particularly those with European sources of supply, should be asked whether they are prepared to establish prices in Canada more in line with those in Europe. The minister in his statement did not mention any discussions with these suppliers and the co-operation or lack of co-operation that he may have been offered by the companies who were charged in this report with mulcting the Canadian consumer.

This statement does not deal effectively with recommendation No. 3, which reads:

> It should ask the Combines Investigation Branch to review the findings of this report and discuss them with the counterparts in the United...and other countries, with a view to possible action.

This statement does not deal effectively been done in this regard. It does not cover the very considerable field of repair parts. Evidence was given to the commission that excessive prices were being charged for repairs and repair parts compared with the cost of parts and the repairing of other automotive equipment such as cars.

Surely it is within the competence of this government to have the Department of Justice, under the Combines Investigation Act, institute action at the national level on this matter in view of the fact that millions of dollars worth of farm machinery in this country must be repaired. This problem will not be solved simply by going to Czechoslovakia or some other place in Europe to import machines. This effort may be laudable in itself, and the more power to the minister and the government if they can find other sources of machines and bring them in so that the farmer will be at a better advantage in purchasing machines. But I do say that not enough action is being taken against the machinery companies which have been and will continue to take advantage of the farmer unless there is positive action to prevent them from doing so.

The farmers in my area are not buying new machines; they are operating the old ones. Any farm machinery dealer knows that his bread and butter comes from providing repairs on these old machines. I hope the government will take some action on this matter. If local machine companies are prepared to import new machines and develop new machines in Canada, because there are signficant operations in western Canada of local companies and co-operatives, will the minister and the government not consider giving these companies support in terms of research and development so that they can compete more effectively with the companies that have been overcharging?

The hon. member for Mackenzie quite properly raised the matter of interest rates. The government should also give this matter serious attention at this time.

MANPOWER

TABLING OF REPORT, "SUMMER EMPLOYMENT SURVEY OF POST-SECONDARY STUDENTS IN CANADA, 1969"

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I would like to table, under the provisions of Standing Order 41(2), the report of the Summer Employment Survey of Post-Secondary Students in Canada, 1969.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

NATIONAL ENERGY BOARD POWERS, STUDIES AND MEMBERSHIP

Question No. 819—**Mr. Thomson:**

1. Is the National Energy Board empowered to regulate exports and imports of crude petroleum and/or petroleum products?

2. Is the National Energy Board empowered to regulate imports of electric power?

3. What special studies on energy have been conducted by the National Energy Board in co-operation with governmental and other agencies both in and outside Canada since 1967 and, with whom did the NEB co-operate in each case?

4. (a) Who are the five members of the National Energy Board and where did they work before their present employment (b) do any of the members have financial interests in the energy field and, if so, what are they?

5. What are the (a) total reserves (b) commercially marketable reserves presently on hand of petroleum natural gas in Canada?

6. What are the (a) total reserves (b) commercially marketable reserves presently on hand in Canada of all other minerals or fuels which are marketed in Canada?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. Not at the present time. Should the Governor in Council, pursuant to subsection 87(1) of the National Energy Board Act by proclamation extend the application of Part VI of the Act to oil, the effect would be, in the absence of exempting regulations, to subject the export and import of oil to the licensing control of the National Energy Board.

2. No.

3. Under the National Energy Board Act the Board is required to study and keep under review matters on which the Parliament of Canada has jurisdiction, relating to the exploration for, production, recovery, manufacture, processing, transmission, distribution, transportation, sale, purchase, exchange and disposal of energy and sources of energy within and outside Canada and to report thereon from time to time to the Minister. In carrying out this function, the Board is continually engaged in the study of matters relating to energy, many of which are carried out in conjunction with other government departments and agencies as well as with provincial authorities concerned. In most cases, the results of these studies are for the confidential information of the Government.

One major study which has occupied the Board's staff over the time period referred to in the question has been the preparation of a long-term energy forecast. This work was completed in 1969 and published as a document entitled "Energy Supply and Demand in Canada and Export Demand for Canadian Energy—1966 to 1990". In the preparation of this work, consultation took place with the federal Department of Transport and the Economic Council of Canada as well as with provincial departments and agencies in each of the Canadian provinces and with energy oriented industries throughout Canada.

Other studies included; an appraisal of future power supply alternatives for Prince Edward Island; an appraisal of system reliability of supply alternatives to Newfoundland; economic and technical feasibility studies related to the tidal power development in

the Bay of Fundy; energy supply and demand, aggregation of statistics dealing with energy obtained from different sources and in various forms; feasibility and optimal design of gas pipe line facilities; transmission of oil in pipe lines also designated to carry other commodities; and oil and gas pipe line material, metallurgy and welding.

4. (a) Dr. R. D. Howland, Chairman—Member—Royal Commission on Energy 1957-59; Mr. D. M. Fraser, Vice-Chairman—Director of the Energy Studies Branch, Department of Trade and Commerce; Mr. H. L. Briggs, Member—General Manager of the British Columbia Power Commission; Mr. Maurice Royer, Member—Consulting Engineer; Mr. J. G. Stabback, Member—Chief Engineer, National Energy Board.

(b) No. Section 3(5) of the National Energy Board Act prescribes as follows: "A person is not eligible to be appointed or to continue as a member of the Board if he is not a Canadian citizen or if as owner, shareholder, director, officer, partner, or otherwise, he is engaged in the business of producing, selling, buying, transmitting, exporting, importing or otherwise dealing in hydrocarbons or power or if he holds any bond, debenture or other security of a company".

5. (a) Based on estimates of the volumes of sediments within the various basins in Canada and a comparison with other sedimentary basins of the world, which are in more advanced state of development, the Canadian Petroleum Association estimated the potential reserves of raw natural gas in Canada, to be some 725 trillion cubic feet.

(b) The Canadian Petroleum Association's estimate of proved remaining marketable reserves of natural gas at 31 December, 1968, was some 48 trillion cubic feet.

6. (a) Based on estimates of the volumes of sediments within the various basins in Canada and a comparison with other sedimentary basins of the world, which are in more advanced state of development; the Canadian Petroleum Association estimated the potential reserves of crude oil and natural gas liquids to be some 120 billion and 20 billion barrels, respectively. In addition, recoverable reserves of upgraded synthetic crude oil, have been estimated to be some 300 billion barrels.

(b) The Canadian Petroleum Association's estimate of proved remaining recoverable liquid hydrocarbon reserves in Canada, at 31 December, 1968, were 10 billion barrels. The Association has estimated that the remaining proved reserves, which could be recovered by the existing oil sand plant, is some 6 billion barrels. (The National Energy Board does not have information on other minerals or fuels marketed in Canada.)

[Mr. Greene.]

NATIONAL ENERGY BOARD PLANNING

Question No. 820—**Mr. Thomson:**

1. What planning has been carried out by the National Energy Board in conjunction with the Emergency Supply Planning Branch of the Department of Supply and Services?

2. For what types of emergency in the petroleum industry is contingency planning made?

3. Does the government have any knowledge of overcapacity at any level of the petroleum and natural gas industry in Canada at the present time and, if so, what is the nature and extent of the overcapacity and what effect does it have on prices?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. The National Energy Board has played a major role in studies and the development of plans concerning energy by the Emergency Supply Planning Branch (ESPB) of the Department of Supply and Services in accordance with the latter's responsibilities for such matters.

2. Contingency planning is made relating to the petroleum industry against the possibility of an armed attack on Canada.

3. The National Energy Board is not aware of any significant overcapacity in the natural gas industry in Canada. During 1968 the level of production of crude oil was about 53 per cent of the oil field's ability to produce crude oil. The transportation facilities had a capacity to deliver some 25 per cent in excess of the 1968 level of production. There are no indications that the overcapacity has had any effect on prices.

COMPANION OF THE ORDER OF CANADA AWARDS

Question No. 874—**Mr. Diefenbaker:**

1. How many awards of the Companion of the Order of Canada have been made to date?

2. Of the awards made, how many of the recipients have been Civil Servants present or past?

3. What persons constitute the Committee on recommendations?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): I am informed by the Registrar of the Order of Canada as follows: 1. As of March 10, 1970, 100 Companions have been appointed to the Order of Canada, of whom 16 are deceased, leaving a balance of 84 living Companions.

2. Of the 100 Companions appointed, 11 were serving and 25 were former federal public servants. They may, however, have been awarded Companions for achievements unrelated to their service as a public servant.

3. Names are submitted by individuals or organizations to the Advisory Council which, by the Constitution of the Order of Canada, is composed of the following: The Chief Justice of Canada (Chairman); The Clerk of the Privy Council; The Under Secretary of State; The Chairman of the Canada Council; The President of the Royal Society of Canada; The President of the Association of Universities and Colleges of Canada.

SALARIES OF PUBLIC SERVANTS

Question No. 905—**Mr. Orlikow:**

1. What is the salary of Mr. Basil Robinson, the new Deputy-Minister of Indian Affairs and Northern Development and, what was his salary in the Department of the Secretary of State for External Affairs?

2. What is the salary of Mr. Sylvain Cloutier, the new Deputy Minister of National Revenue for Taxation and, what was his salary in the Treasury Board Secretariat?

3. What is the salary of Mr. John A. MacDonald, the new Deputy-Minister of Public Works and, what was his salary in the Department of Indian Affairs and Northern Development?

4. What is the annual salary of Mr. John Boucher, the new Deputy-Minister of Supply and Services, what was his salary in the Canada Council?

5. What is the salary of Mr. Gordon Hunter, the new Master of the Mint and what was his salary in the Department of Supply and Services?

6. What is the new salary of Mr. M. J. MacMillan, the Chairman of the Canadian National Railway Company and, what was his previous salary with CNR?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): 1. Mr. Basil Robinson, Deputy-Minister of Indian Affairs and Northern Development, $33,000-37,000; Department of External Affairs, $28,000-33,000.

2. Mr. Sylvain Cloutier, Deputy-Minister of National Revenue (Taxation), $28,000-33,000; Treasury Board, $28,000-33,000.

3. Mr. John A. MacDonald, Deputy-Minister of Public Works, $33,000-37,000; Deputy-Minister of Indian Affairs and Northern Development; $33,000-37,000.

4. Mr. Jean Boucher, Deputy-Minister of Supply and Services, $28,000-33,000; Canada Council, $28,000-33,000.

5. Mr. Gordon Hunter, Master of the Mint, $28,000-33,000; Department of Supply and Services, $28,000-33,000.

6. Mr. M. J. MacMillan, after reappointment; as Chairman $5,000 and as President, $70,000; Before reappointment; as Chairman $5,000 and as President, $70,000.

COMPUTER DATA STORAGE OUTSIDE CANADA

Question No. 986—**Mr. Kaplan:**

1. Does the government use computer facilities which store data outside Canada?

2. Which departments and agencies use such facilities and to what extent?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. and 2. The Department of Agriculture use on a limited scale for computer program development the Computer Time Sharing, Place de Ville, Tower A. (computer is at Boston, U.S.A.) and the Greyhound Computer of Canada Limited, 1740 Woodward Drive (computer is at Stanford, Conn., U.S.A.)

The National Research Council of Canada participates in continuing international scientific programs, by acquiring information concerning such matters as cosmic ray intensities, meteorites, solar radio waves and transmitting this to the internationally appointed agencies which store, collate and disseminate it.

The Royal Canadian Mounted Police use the National Crime Information Centre in Washington, D.C. for the purpose of tracing criminals in connection with offences committed in Canada, plus exchange information on stolen motor vehicles and other identifiable stolen property. This information is also kept in Canada.

COMMEMORATIVE STAMPS, MANITOBA CENTENNIAL

Question No. 1,013—**Mr. Stewart (Marquette):**

Were postage stamps issued to commemorate Manitoba's Centennial Year and, if so (a) was the Government of Manitoba consulted on the design of these stamps (b) when were they consulted (c) who was consulted and did they approve?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): Yes; (a) No; (b) Not applicable; (c) The Manitoba Centennial Corporation was advised on November 25, 1965, of the department's intention to issue a stamp to commemorate Manitoba's Centennial Year and was invited to submit design proposals. No design proposals were submitted, however, and the only further contact in this regard was to advise the Corporation as to the appointment of a designer.

The selection of the designer, Mr. Kenneth Lockhead of Winnipeg, was performed by a design advisory committee appointed by the Canada Post Office. This committee is composed of six members who are internationally recognized Canadian philatelists or authorities in fields of the visual arts. This advisory committe selects the artists to be commissioned to design each stamp, chooses and approves all design submissions and the finished artwork.

GLACE BAY HEAVY WATER PLANT

Question No. 1,019—**Mr. Thomson:**

1. Has the Government of Nova Scotia recently requested financial and/or technical assistance from the Government of Canada with respect to the Glace Bay "Heavy Water" plant and, if so, what was the response?

2. Before approving the Heavy Water contract with the Nova Scotia Government, did AECL request full details of the "Spivak process" as to evidence of its success?

3. Did AECL carry out any of its own testing and research of the "Spivak process" and, if so, what were the conclusions?

4. If AECL did not approve of the "Spivak process", why was the "Heavy Water" contract agreed to with the Nova Scotia Government?

5. What method of producing "Heavy Water" is being used by AECL at the Douglas Point plant?

6. Is the government considering a completely independent appraisal of Canada's Atomic Energy Program and, if so, on what date and who will do the appraising?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's and Privy Council Offices and the Atomic Energy of Canada Limited as follows: 1. In July of last year the government of Nova Scotia approached the federal government seeking various forms of assistance with respect to the Glace Bay heavy water plant. Several exchanges have taken place since that time and the matter is still under discussion between the two governments.

2. No. AECL was aware that Deuterium of Canada Limited proposed to use the same basic process as had been successfully used in the U.S.A. for many years, but with some changes covered by "improvement" patents.

3. No.

4. See 2 above.

5. The same basic process i.e. the hydrogen sulphide-water dual temperature isotope exchange process.

6. The government has kept and is keeping Canada's atomic energy program under continuing review and is not at present considering an independent appraisal of that program.

[Mr. Kierans.]

EXPROPRIATIONS, RICHMOND CONSTITUENCY

Question No. 1,156—**Mr. Beaudoin:**

Have expropriations been carried out by the federal government or any Crown corporation in the constituency of Richmond in 1966, 1967, 1968 and 1969 and, if so (a) how many (b) what was the site, reason, date and cost of each expropriation?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): (a) During the years 1966 to 1969 the Department of Public Works expropriated one site. (b) Site: St. Adolphe de Dudswell. Reason: To permit construction of a small Post Office. Date: April 26, 1968. Cost: $2,300.

PATIENTS UNDER DOMICILIARY CARE, CAMP HILL HOSPITAL

Question No. 1,171—**Mr. McCleave:**

1. How many patients are, or were, at Camp Hill Hospital, Halifax, under domiciliary care since October 15, 1969?

2. What range of charges per month did they pay?

3. How many are paying the new maximum charges of $300 per month?

4. What procedure is followed by the veterans or their families to obtain payments of lesser amounts than $300 per month?

5. How many domiciliary care patients at Camp Hill Hospital are paying less than half of the increase?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. October, 189; November, 193; December, 192; January, 187.

The above figures include those patients provided with chronic care under Section 29 of the Veterans Treatment Regulations.

2. Charges range from "nil" to $120 a month.

3. None.

4. The veteran or his family are requested to provide accurate information concerning the veteran's income and assets and the number of dependants so that his ability to pay up to $120 could be properly assessed after provision was made for all dependants and his personal needs.

5. Not applicable.

HIGHWAY CONSTRUCTION, ATLANTIC PROVINCES

Question No. 1,205—**Mr. MacLean:**

What is the estimated expenditure to be made by the federal government in the fiscal year 1970-71 for highway construction in each of the four Atlantic Provinces, other than in national parks?

Hon. Arthur Laing (Minister of Public Works): So far as the Department of Public Works is concerned: Estimated contributions to Atlantic Provinces under the Trans-Canada Highway program for the fiscal year 1970-71: Newfoundland, $5,800,000; Prince Edward Island, $28,000; New Brunswick, $2,600,000; Nova Scotia, $1,900,000.

FEDERAL-PROVINCIAL CONFERENCE DISCUSSION OF ILO SOCIAL AND ECONOMIC RIGHTS CONVENTIONS

Question No. 1,241—**Mr. Orlikow:**

1. In connection with the Canadian Charter of Human Rights, what Conventions of the International Labour Organization dealing with social and economic rights has Canada ratified?

2. Were these Conventions, ratified by Canada, which are now part of the legal structure of Canada, included in the documents prepared by the Government of Canada for discussion at the Federal-Provincial Conference and, if not, for what reasons?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Canada is a party to 24 of the ILO Conventions all of which construed in their broadest sense relate to social and economic rights. However, on the basis of a recent study by an ILO committee of experts, the following conventions to which Canada is bound would appear to be among those ILO instruments having the most direct relevance to these areas: No. 26, Convention concerning the creation of Minimum Wage-Fixing Machinery; No. 88, Convention concerning the Organization of the Employment Service; No. 105, Convention concerning the Abolition of Forced Labour; No. 111, Convention concerning Discrimination in respect of Employment and Occupation; No. 122, Convention concerning Employment Policy.

2. The above ILO Conventions were not included in the documents prepared by the Government of Canada for discussion at the Federal-Provincial Conference of February 1969 when a "Canadian Charter of Human Rights" was discussed. Since the Conference was concerned with the possibility of entrenching in the Canadian constitution a charter incorporating the broad categories of human rights—political, legal, egalitarian, linguistic and economic—only those international conventions which enshrined the general principles governing human rights were submitted to the Conference as background material. With regard to social and economic rights, the International Covenant on Economic, Social and Cultural Rights which subsumes the subjects covered by the ILO Conventions was a Conference document.

It should be noted, however, that there is continuing consultation and frequent meetings between the federal and provincial governments at the Minister and Deputy Minister level dealing specifically with ILO matters, including ratification and implementation by the provinces of ILO Conventions. The next such Federal-Provincial meeting at the Deputy Minister level will convene in Ottawa from April 30-May 1 of this year.

NET DEBT OF FEDERAL, PROVINCIAL AND MUNICIPAL GOVERNMENTS

Question No. 1,274—**Mr. MacLean:**

1. (a) What was the net debt of the Government of Canada on the most recent date for which figures are available (b) what are the carrying charges for this net debt on the most recent date for which figures are available?

2. (a) What was the net debt of each of the ten provincial governments on the most recent date for which figures are available (b) what are the estimated annual charges of the debt for each of the provinces on the most recent date for which figures are available?

3. (a) What was the total net debt of Canadian municipalities, including school boards, on the most recent date for which figures are available (b) what are the estimated annual carrying charges for the debt referred to in Part (a)?

Hon. E. J. Benson (Minister of Finance): 1. (a) As of March 31, 1969, $17,335,837,990. (b) For the fiscal year ended March 31, 1969, $798,181,536.

2 and 3. The government does not have responsibility for (a) the net debt, and (b) annual carrying charges of provincial and municipal governments. Figures are published on this from time to time by the provincial governments and municipalities, and by the Dominion Bureau of Statistics.

HOUSING AND APARTMENT STARTS, 1969

Question No. 1,312—**Mr. Orlikow:**

1. How many houses were begun by builders in urban centres in 1969 and, of this number, how many were begun in Halifax, Montreal, Toronto,

Questions

Hamilton, Winnipeg, Regina, Calgary, Edmonton and Vancouver?

2. How many apartment units were begun by builders in urban centres in 1969 and, of this number, how many were begun in Halifax, Montreal, Toronto, Hamilton, Winnipeg, Regina, Calgary, Edmonton and Vancouver?

Hon. Robert K. Andras (Minister without Portfolio): 1. and 2. See Table 1 below.

Dwelling Starts, by Type of Structure, in Centres 10,000 Population and Over, 1969

(Dwelling Units)

Area	Single-Detached	Semi-Detached and Duplex	Row	Apartment	Total
Selected Metropolitan Areas:					
Halifax	432	304	—	2,582	3,318
Montréal	3,627	602	323	19,098	23,650
Toronto	5,782	2,535	1,838	21,719	31,874
Hamilton	1,783	72	338	2,884	5,077
Winnipeg	2,134	355	361	6,180	9,030
Regina	648	186	64	791	1,689
Calgary	3,043	754	676	5,264	9,737
Edmonton	2,368	152	588	6,699	9,807
Vancouver	4,763	402	580	11,945	17,690
All Metropolitan Areas	35,686	6,986	7,759	93,868	144,299
Total Urban Centres 10,000 Population and Over	46,787	8,636	9,694	104,622	169,739

LENNOX ISLAND CAUSEWAY

Question No. 1,365—**Mr. MacDonald (Egmont):**

1. On what date was it first suggested that a causeway be constructed from the mainland to Lennox Island

2. At what times were surveys carried out for this project?

3. What costs were estimated?

4. On what date is it expected this project will be commenced?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Works and the Department of Indian Affairs and Northern Development as follows: 1. August 1964.

2. June 1965, November 1965 and August 1969.

3. It is not customary to give estimated costs before contracts are awarded.

4. The Department of Indian Affairs and Northern Development, the Department of Regional Economic Expansion, and the government of the Province of Prince Edward Island are still discussing the possibility of constructing a causeway between the Prince Edward Island mainland and Lennox Island. As no decision has yet been made as to whether or not a causeway will be built, it is not possible to comment on a possible date for commencement.

[Mr. Orlikow.]

P.E.I.—SUBSIDY TO MILK PRODUCERS

Question No. 1,395—**Mr. MacLean:**

1. What was the total amount of subsidy paid to milk producers, in the Province of Prince Edward Island, in each of the past five dairy years?

2. What was the total number of milk producers, in the Province of Prince Edward Island, to whom subsidy was paid in each of the past five dairy years?

3. What was the annual decrease in the number of dairy producers in the Province of Prince Edward Island in each of the past five dairy years?

4. What has been the total quota eligible for subsidy allocated to the Province of Prince Edward Island by the National Dairy Commission in each dairy year since the inception of the Commission?

Hon. H. A. Olson (Minister of Agriculture): 1. The statistics available on subsidies paid to milk producers have been retained by fiscal years rather than by dairy years. The total amount of subsidy paid to Prince Edward Island milk producers for the past five fiscal years as as follows: 1964-65, $598,971; 1965-66, $510,979; 1966-67, $1,196,226; 1967-68, $1,604,096; 1968-69, $1,696,869.

2. The number of milk producers is not available for the fiscal years 1964-65, 1965-66 and 1966-67. The total number of milk producers for the last two fiscal years is as follows: 1967-68, 3,411; 1968-69, 2,554.

3. The only federal government data on total number of producers is the census figure. The last (1966) census figure was 4,675.

4.

	Pounds of butterfat
1967-68	5,691,000
1968-69	5,511,000
1969-70	5,105,000

REDUCTION OF RESERVE DEFENCE FORCES

Question No. 1,421—**Mr. MacLean:**

With regard to the reduction of the Reserve Defence Forces announced in December, 1969 (a) what was the reason for the disproportionately large reduction in medical units which wipes out 75 per cent of such units (b) what was the reason for the large cut in (i) the Provost Corps (ii) the Intelligence Corps?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Apart from the important considerations of economy, the main reason for the reorganization of Canada's Reserve Forces, is to complement the Regular Force. The units in the land reserve best suited to do this are the arms units—Infantry, Armour and Artillery. Consequently, the Service units suffer the greatest reductions. Apart from the RCASC which must retain a transportation capability, and Signals units which will be tasked to augment the Canadian Forces Communication System in times of emergency, the Service units are reorganized on the basis that their primary task is now that of support for other land reserve units.

The retention of small independent units is uneconomical in terms of administrative overhead. Consequently, the number of Service units has been reduced but appropriately sized detachments have been retained within Service Battalions. Six Medical units have been retained and 14 detachments included within the composition of Service Battalions. This compares with 22 Medical companies which were in existence prior to reorganization. This applies equally to the Provost Corps and the Intelligence Corps. Small security detachments have been provided within Service Battalions.

OLD AGE SECURITY CHEQUE GARNISHEES

Question No. 1,491—**Mr. Stewart (Marquette):**

How many recipients of Old Age Security have had their cheques garnisheed by the Department of Veterans Affairs, through the Financial Administration Act, and in how many instances was (a) the total amount of the pension recovered by the federal government (b) more than 50 per cent of the Old Age Security cheque of the recipient recovered in the present fiscal year and in fiscal years 1967-68 and 1968-69?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1967-68: Number of recipients, six. (a), nil; (b), nil. 1968-69: Number of recipients, 36. (a), nil; (b), two. 1969-70 (to date): Number of recipients, 43. (a), nil; (b), two.

TREASURY BOARD GARNISHEE OF OLD AGE SECURITY CHEQUES

Question No. 1,492—**Mr. Stewart (Marquette):**

How many recipients of Old Age Security have had their cheques garnisheed by Treasury Board through the Financial Administration Act for the present fiscal year and the fiscal year 1968-69, and how much money did Treasury Board recover by these garnishees?

Hon. C. M. Drury (President of the Treasury Board): By virtue of Section 95 of the Financial Administration Act, the Treasury Board may authorize the Receiver General to retain by way of deduction or set-off the amounts of certain indebtedness to Her Majesty. This authorization is granted on the submission of departments and the Treasury Board does not, of itself, initiate such actions. Statistics are not kept by the Treasury Board of the numbers or amounts of such deductions or set-offs involving recipients of Old Age Security. This information should be obtained from the departments concerned, predominantly the Departments of Veterans Affairs and National Health and Welfare named in questions 1,491 and 1,493.

FINANCIAL ASSISTANCE FOR FRASER COMPANY SEWAGE TREATMENT PLANT

Question No. 1,501—**Mrs. MacInnis:**

1. Did the government assist the Fraser Company of Edmundston, New Brunswick, with funds to build a sewage treatment plant and, if so, on what date and to what financial extent?

Order for Return

2. Did the government receive any guarantee of minimum quality standards of effluent when it made these funds available?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. No.

2. Not applicable.

TOBACCO EXPERIMENTAL FARM—DELHI, ONTARIO

Question No. 1,504—**Mr. Buchanan:**

With reference to Question Number 962 answered on February 23, 1970, is the Delhi Research Station working on the development of a tobacco strain or variety that would make safer cigarettes?

Hon. H. A. Olson (Minister of Agriculture): The Delhi Research Station is conducting a tobacco breeding program for the production of strains and varieties with lower nicotine and tar content.

*PLACE DE VILLE, OTTAWA—RENTAL OF SPACE BY FEDERAL GOVERNMENT

Question No. 1,584—**Mr. Diefenbaker:**

1. Has the government entered into a lease or agreement for lease for twenty years with Mr. Campeau or one of his Companies, to rent the Place de Ville—a building now under construction in Ottawa and, if so (a) on what date (b) what are the terms thereof?

2. What is the total amount that the lessor will receive from the government?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, the answer to the first part of this question is no. The second part, of course, is not applicable.

QUESTION PASSED AS ORDER FOR RETURN

CENSUS POPULATIONS FOR CERTAIN PROVINCES, ASSUMED POPULATIONS WITHOUT INTERPROVINCIAL MIGRATION

Question No. 1,402—**Mr. MacLean:**

1. What was the population of each of the Provinces of Prince Edward Island, Nova Scotia, New Brunswick, Ontario and Quebec for 1871, and each census year since?

2. Using the population of 1871 as a base in each case, and applying the known birth rates and death rates, what would have been the population of each of these provinces for each census year since, if there had been no migration across provincial boundaries, and ignoring population increases of the Provinces of Ontario and Quebec due to extension of their areas?

Return tabled.

[Mrs. MacInnis.]

• (2:50 p.m.)

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INFLATION—MEETING WITH CANADIAN LABOUR CONGRESS—CO-OPERATION IN CONTROL PROGRAM

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a question to the Prime Minister. Would he take the House into his confidence and advise whether, in his meeting with the leaders of the Canadian Labour Congress this morning, he was assured of their co-operation in the government's program to control inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not have to take the House into my confidence. The meetings were open and public, and I am sure they will be well reported. I suppose it would be a fair summary to say that the policies that we are pursuing did not meet with the enthusiastic approval of the labour movement.

Mr. Hees: A supplementary question. I take it from what the Prime Minister has said that the government was not given any assurance whatever of the agreement of the labour bodies to the proposals that it has been making for some time through the Prices and Incomes Commission. Did the leaders of the Canadian Labour Congress suggest to the government this morning that the government should reverse its policies, which have produced the highest cost of living ever and the highest level of unemployment for the past six years, policies which—

Mr. Speaker: Order, please.

Mr. Hees: —are leading the country—

Some hon. Members: Oh, oh!

Mr. Hees: —in a disastrous direction?

Mr. Speaker: Order, please. Perhaps the hon. member might like to ask a question. It seems to me that he is making a speech instead of asking a question.

Mr. Hees: Then I will put a supplementary question. Since the leaders of the Canadian Labour Congress very clearly pointed out, I take it, the inadequacies of the government's proposals—

Some hon. Members: Oh, oh!

Mr. Hees: —is it the intention of the government to reverse its programs, which have

led to disastrous results, accept the views of the Canadian Labour Congress, the opposition and other sensible people—

Some hon. Members: Oh, oh!

Mr. Hees: —and introduce policies that make sense and will lead the country in a proper and sensible direction?

Mr. Speaker: Order. I believe the hon. member for York South has a supplementary.

INFLATION—FIGURES ON DIVISION OF INCOME USED BY PRIME MINISTER AT MEETING WITH CANADIAN LABOUR CONGRESS

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a supplementary to the Prime Minister arising out of some figures that he used this morning in regard to the division of the national income between the various sectors of the economy. Would the Prime Minister agree to table the schedule of figures, showing the position from 1950 to now, on which his statement to the Canadian Labour Congress was based?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the House desires this it will be done. They are figures produced by the Dominion Bureau of Statistics.

Mr. Speaker: Order. The hon. member for York South has suggested that a certain document be tabled. Is there agreement that the document referred to by the right hon. Prime Minister and the hon. member be tabled?

Some hon. Members: Agreed.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Prime Minister. Could he tell the House whether he advised the labour leaders as to what level the government would be prepared to allow unemployment to rise to in its war against inflation before it came to the conclusion that the casualties were too great?

Mr. Trudeau: Mr. Speaker, it was the labour movement that was presenting a brief, not the Liberal or Conservative party.

Mr. Hees: Mr. Speaker, since the Prime Minister seems to have chimed in about every two minutes with this labour bit, could he not tell us what he said out in the open so that we would have full knowledge of it?

Mr. Speaker: Order.

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. With regard to the percentage of income that he attributed to labour, could the Prime Minister tell the House whether these were figures for working people or figures showing wages, salaries and professional fees?

Mr. Trudeau: Mr. Speaker, there was so much noise as the question began that I did not understand it.

Mr. Orlikow: Mr. Speaker, I should like to ask the Prime Minister whether, when he referred in his statement this morning to the percentage of income received by workers, he was referring to wages, wages and salaries, or wages, salaries and professional fees received by people in the labour force?

Mr. Trudeau: Mr. Speaker, I referred to two sets of figures. One set of figures showed that in the past 20 years the share of profits in national income had dropped by 25 per cent. The other set of figures indicated that the share of salaries, including wages and earnings, had increased by nearly 20 per cent over the past 20 years.

Mr. J. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. Apparently the Prime Minister misunderstood the question. I understood my colleague to ask the Prime Minister whether the figures to which he referred this morning included the income of professional people.

Mr. Trudeau: Mr. Speaker, I think the hon. member misunderstood my answer. The answer is yes. I said it included all of these things, and no member should take offence at this. I indicated that it was good that there had been a transfer of resources over the past 20 years, a very heavy transfer, from the profits sector to the wages, salaries and other income sector.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Prime Minister, when he produces the figures asked for by my colleague from York South, whether he would break down the figures showing what percentage of the national income is wages, what part executive salaries, and what part professional fees, in order to give an accurate picture of the distribution of income?

Mr. Trudeau: Mr. Speaker, I am tabling the document, but if the leader of the New Democratic party wants me to make a little speech about it I will do so. As to the first question

whether I would table the figures, my answer was yes. If he wants me to reiterate what I told the labour movement this morning I shall. I said that our fight against inflation was not intended to prevent redistribution of income in the country, nor would it have that effect. I said it was merely a short-term fight against inflation and I outlined the steps that had to be taken now. I will gladly include this in the document that I will table, but it will then no longer be the document authorized to be presented to this House.

Mr. Speaker: Order. There seems to be some difficulty. The House has agreed to allow the Prime Minister to table a document. The suggestion now is that something else be tabled. The consent of the House would have to be sought in this regard. Perhaps we might return to this subject later since other hon. members appear to be anxious to ask questions.

MANITOBA CENTENNIAL

SUGGESTED INVITATION TO QUEEN TO OPEN SESSION OF LEGISLATURE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister and it has to do with the suggestion of Premier Schreyer of Manitoba that, as part of the Manitoba centennial celebrations, the legislature of that province would like to convene on July 15, I believe, and have Her Majesty the Queen read the Speech from the Throne. For this to be done, of course, the favourable advice of the Prime Minister would be required.

Has the Prime Minister been consulted in this regard; and in any event, what would be his reaction to the suggestion of a visit that would be so widely welcomed not only in Manitoba but in the prairie provinces generally?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to consult my office on whether such a proposition has arrived there. I have no knowledge of it as yet, but I am interested to hear that the new government of Manitoba is taking the right hon. member for Prince Albert into its confidence on these matters.

Mr. Diefenbaker: The Prime Minister should not be so touchy and petulant. He is getting worse every day.

[Mr. Trudeau.]

DRUGS

APPLICATIONS FOR LICENCES UNDER PATENT ACT AMENDMENTS—PLANS TO REDUCE PRICES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs? Is he now in a position to inform the House regarding the results of his department's investigation into the applications for drug licences under the recent amendments to the Patent Act passed by the House recently, and have these investigations ascertained whether there has been collusion by members of the Pharmaceutical Manufacturers' Association in not applying for these licences?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the program has been delayed because American Home Products have been contesting the right of Parliament to deal with drug patents. They have been testing it in court, but at this time we have been successful in the Court of Appeal of Ontario. There have been two licences issued by the Commissioner of Patents, both covering a drug called diazepam which I understand has a laid-down cost in Montreal of $87 per kilo and is now distributed by Hoffman-LaRoche at a retail cost of $9,000.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, since the minister stated before the House committee discussing the amendments to the Patent Act concerning drug licences that if the government's legislation did not lower drug prices immediately he would consider alternative action, and since drug prices in Canada are still the highest of any industrial nation, will the minister undertake to make a statement on motions in the very near future indicating what new plans the government has to reduce drug prices in this country?

Mr. Basford: As I said, Mr. Speaker, we have been delayed by reason of the fact that American Home Products have been challenging the right of this Parliament to enact the legislation it did last session. Presuming that case is not taken to the Supreme Court of Canada, the Commissioner is proceeding as fast as he can in dealing with some 62 applications for compulsory licences which he has received. He has rendered decisions in some 11 of those cases but the licences are not being issued at the present time because of the litigation.

Mr. James A. McGrath (St. John's East): Mr. Speaker, the hon. member may have anticipated my question but perhaps I could ask a further supplementary. Would the minister be prepared to make a statement on motions in respect of this very important matter in order to put the minds of Canadians at ease?

Mr. Basford: Mr. Speaker, I think the last two answers I have given constitute a statement. I am not sure, until the matter of the litigation is cleared up, that there is anything more I can say that would be useful, except to reiterate that the commissioner is acting within the law as fast as he can in processing applications for compulsory licences which will be granted as fast as they can be. When they are granted, I think this will have a beneficial effect for drug purchasers.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the minister whether, in order to achieve the objective of lowering drug prices in Canada, he is considering the imposition of a tax or setting a maximum on the allowable deduction of expenses for drug advertising, sales promotion and detail men?

Mr. Basford: Not at the moment, Mr. Speaker.

EXTERNAL AFFAIRS

SOUTH AFRICA—REVIEW OF TRADE POLICIES

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question I should like to direct to the Secretary of State for External Affairs. Is Canada reconsidering its trade policies in respect of South Africa in view of the long-time policy of apartheid in that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker; as the Prime Minister said, this question is under review.

Mr. Cafik: Will the Secretary of State for External Affairs also review the policy in respect of the Polymer Corporation, which I believe operates in South Africa?

Mr. Speaker: The hon. member is now making a representation or a suggestion to the minister.

Mr. Cafik: May I rephrase that question?

Mr. Speaker: The hon. member might rephrase the question.

Mr. Cafik: Mr. Speaker, I should like to know whether, in the review the government is undertaking in respect of trade with South Africa, it is the intention to review the policy regarding Polymer?

Mr. Sharp: Yes, all aspects of our trade with South Africa will be reviewed, Mr. Speaker.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in this review is the government considering whether it is appropriate to have a preferential Commonwealth tariff in favour of South Africa long after South Africa has ceased to be a member of the Commonwealth?

Mr. Sharp: Mr. Speaker, as the hon. gentleman knows, this preference is reciprocal and we would have to consider both sides of the question.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to ask the Government House Leader whether he can help to bring forward an answer to my question on Polymer's investments in the Republic of South Africa, which has been on the Order Paper for four or five weeks?

Hon. Donald S. Macdonald (President of the Privy Council): I will make inquiries, Mr. Speaker.

POWER

BAY OF FUNDY—CONSULTATION BY PROGRAMMING BOARD WITH DEPARTMENT OF REGIONAL ECONOMIC DEVELOPMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Prior to the decision by the government not to proceed with the Atlantic tidal power development project, did the Atlantic Tidal Power Programming Board in the course of its studies consult in depth with the minister or his departmental officials?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will take that question as notice and make a report later.

BAY OF FUNDY—RECONSIDERATION OF DECISION NOT TO PROCEED WITH PROJECT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my supplementary question is to the Prime Minister. In

view of the alarming increase in unemployment in the Atlantic provinces, will he reconsider the decision of his government not to proceed with the harnessing of the Bay of Fundy tides from a power development point of view?

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

Mr. Coates: Mr. Speaker, is it the intention of the Prime Minister to suspend construction of the new international airport in Quebec and to suspend the granting of interest free and low interest loans to underdeveloped countries in the world until interest rates decline?

BAY OF FUNDY—DEPARTMENTAL STUDY OF RECOMMENDATIONS OF PROGRAMMING BOARD

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. In view of the report released on Friday and some of the recommendations on Fundy power of the Atlantic Tidal Power Programming Board, is it the intention of his department to strike immediately a committee of departmental officials to study some of those recommendations and in particular the potential development of research to reduce the cost of generating equipment and construction in order that this project might proceed in the future?

Hon. Jean Marchand (Minister of Regional Economic Expansion): This is something we are looking into right now, Mr. Speaker. No decision has been made yet.

Mr. Nowlan: I wonder if I might ask another supplementary question? In view of the fact that the report was tabled on Friday, and the minister is looking into many facets of this very fundamental project that could bring so much to the east, would the minister make a statement on motions in the very near future as to what his department plans to do about this project?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I will consider this request.

[Mr. Coates.]

[*English*]

FINANCE

INVESTIGATION OF OPERATIONS OF THE MINT

Mr. F. J. Bigg (Pembina): Mr. Speaker, I have a question for the Minister of Finance, but in his absence perhaps the Minister of Justice will be able to answer it for me. In view of recent cases involving bribery and corruption in the Royal Mint, will the government assure the House that a thorough investigation of the operations of the Mint will be started immediately and, if necessary, a royal commission set up in order that the public interest may be fully protected?

Hon. John N. Turner (Minister of Justice): I will transmit the question to the Minister of Finance, Mr. Speaker.

MANPOWER

ALIENATED YOUTH PROGRAM—STUDENT SUMMER EMPLOYMENT PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Could he inform the House whether it is the intention of the government to discontinue its alienated youth program in Toronto and Montreal and, if so, why?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I do not recognize the program as coming within my department.

Mr. Nystrom: Mr. Speaker, is the government planning any new summer student employment program in provinces facing economic difficulties, such as Saskatchewan and the Maritimes?

Mr. MacEachen: Mr. Speaker, we are proposing and will implement a summer student employment program in all provinces.

THE CANADIAN ECONOMY

INFLATION—INTRODUCTION BY IMPERIAL OIL OF REVOLVING CREDIT SYSTEM

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Is he aware of the recent announcement by Imperial Oil of Canada that it is switching its credit cards to a revolving credit system, thereby increasing the cost of petroleum products to con-

sumers, and will he inform the House whether this action is in line with the government's anti-inflationary program?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, on budget night the Minister of Finance made it very clear he disapproved of agencies, particularly oil companies, handing out credit cards wholesale, and he announced that legislation would be introduced in a matter of weeks.

Mr. Dinsdale: Mr. Speaker, do I take it from the minister's answer that the legislation proposed by the government is designed to deal specifically with the transfer of general credit card systems to revolving credit card systems?

Mr. Basford: It is designed to deal with the matters the Minister of Finance discussed in the budget, namely, the level of commercial credit and down payments—

Mr. Speaker: Order, please.

CANADIAN SOVEREIGNTY

THE ARCTIC—ASSERTION BY GOVERNMENT TO U.S. OFFICIAL

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Can the minister tell the House whether the government asserted Canadian sovereignty over the Canadian Arctic in general and the waters in particular when Mr. Alexis Johnson of the United States State Department led a delegation here last Friday to discuss Canada-U.S. matters such as pollution, fisheries boundaries and laws of the sea?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we informed Mr. Alexis Johnson when he was here exactly what I have informed members of the House and what the Prime Minister has informed the country generally, that we regard these Arctic waters as ours.

EXTERNAL AFFAIRS

PROPOSED U.S. NUCLEAR TESTS—INFORMATION ON FIRST TESTS

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, from time to time over the past two months I have asked the Secretary of State for External Affairs and the Minister of Energy, Mines and Resources whether they have received information from the United States concerning the first series of nuclear tests at Amchitka in Alaska. As the House will be in recess very soon, Mr. Speaker, would you allow me to redirect the question once more to the Secretary of State for External Affairs?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, we have not yet received this information. We are still inquiring and expect to get it.

POST OFFICE

MONTREAL POSTAL DISPUTE—TRANSFER OF WORKERS' ACQUIRED RIGHTS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on Friday I directed a question to the Acting Prime Minister, which he indicated he would turn over to the Prime Minister, with reference to the postal dispute and the Goldenberg inquiry. Would the Prime Minister answer?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Acting Prime Minister did confer with me on some question. I cannot remember, unless the hon. member is specific, what the conference was about.

Mr. Macquarrie: Mr. Speaker, I am surprised that the Solicitor General was not specific. It had reference to the Empire Club speech of the Postmaster General and the indication that job guarantees for the workers in Montreal would require legislation. My question was whether this was the point of view of the government and was the commissioner so advised?

Mr. Trudeau: Mr. Speaker, I have the answer of the Acting Prime Minister. He said he would be very glad to look into that suggestion and in effect he did look into it with me.

Mr. Macquarrie: Mr. Speaker, that is a very clever but hardly a helpful answer. I think it is very important to know whether the Postmaster General, as reported, was in fact indicating that the job security rights which are so crucial to this dispute can be transferred only through legislation. If that is the point of view of the government, was Commissioner Goldenberg so advised?

Mr. Trudeau: Certainly that is not the position of the government. It is an opinion expressed honestly by a minister who believes in it but the government position

was announced in the House about a week ago when we decided to appoint Mr. Goldenberg as mediator in this dispute. I indicated at that time that the government would await his decision before deciding what our policy would be.

Mr. Macquarrie: I have a further supplementary, Mr. Speaker. Without being presumptuous, might I suggest to the Prime Minister that he acquaint the Postmaster General with the government policy?

CONSUMER AFFAIRS

REQUEST FOR STATEMENT ON LACK OF FOOD FRAUD PROSECUTIONS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this question is for the Minister of Consumer and Corporate Affairs. In view of the fact that, according to the reply given to my written question No. 20 on the Order Paper, during the fiscal years from 1966 to that part of 1969 when the matter of economic fraud in food and food products came under the responsibility of the Food and Drug Directorate there were several dozen prosecutions, would the minister undertake to make an early statement concerning why, since this matter was transferred to his department in early 1969, there were no prosecutions up to November 14 last year?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will have to look at the answer first.

INVESTIGATION OF ALLEGED KICKBACKS IN DAIRY INDUSTRY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the demand by a union leader in Toronto recently that the government should inquire into the possibility of kickbacks in the dairy industry as between dairies and retail outlets, I should like to ask the Minister of Consumer and Corporate Affairs whether the government or the minister's department is prepared to undertake such an investigation?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not seen the statement. If it was so important to the union leader one would have thought he would send it to me. I would advise him to do so with whatever supporting evidence he has.

Mr. Gleave: Mr. Speaker, I ask the minister whether he has made any inquiries or has concerned himself with the charges by the Ontario Food Council in late 1969 that buyers for wholesale stores were named as receiving kickbacks in the food industry in that province.

Mr. Basford: There were consultations between my officers and officers of the Ontario Food Council.

TAXATION

WHITE PAPER ON REFORM—PROTEST COUPONS—ALLEGED CLOSING OF MAIL BOX OF COLIN BROWN

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, on Friday, in the absence of the Minister of Communications, I asked a question in connection with Colin Brown who has paternity for some 57 advertisements which appeared in the press across Canada analysing the white paper. He has stated that his post office box in Ottawa has been closed, and that the coupons which have caused so much irascibility on the part of the government are being returned to the individuals who sent them, with the exception of those that are addressed to a Member of Parliament. Could the minister say whether this extraordinary order was made?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): Mr. Speaker, I wrote a very polite letter to Mr. Colin Brown advising him that I considered the use to which he was putting the box was an abuse of the privilege of boxholders. In effect Mr. Colin Brown had taken out a box in his own name and was inviting the world to address replies, through his own box number, to all hon. members of this House who have boxes of their own. I also stated in the letter that I would be quite pleased to discuss this with him and asked him to reply in seven days. I have not yet heard from him—

An hon. Member: He hasn't received the letter yet.

Some hon. Members: Oh, oh!

Mr. Kierans: Well, Mr. Speaker, he apparently knows that his box is closed, which is what counts in this case. I am quite willing to discuss this with Mr. Brown, but I must say that all members of this House have suffered a great deal from that fact that people all across the country are addressing letters to Mr. Brown's box when it is difficult, particularly in respect of opposition members, to know who their member is. This involves a

great deal of work and has really created very much unnecessary work for the postal service in this House.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I notice that those who are dictator-minded sitting opposite in this House applaud that statement. What is the idea of interfering with an individual's rights? Is this another example of power at any price?

Mr. Kierans: Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I have never been particularly affected by the grunts that come from the opposite side of the House. When a minister rises in this House and, apparently acting with government support, says that my mail, because, it is going to cause trouble to the Post Office, shall not be delivered to me, it is time to protest. This is interference with freedom of the individual to communicate whenever and however he wishes, so long as what he sends through the mail is not filthy. Apparently, they regard protests as being filthy literature.

Mr. Speaker: The Postmaster General is rising on a question of privilege.

Mr. Kierans: I am simply reiterating that this has caused chaos in the postal service. I also want to state that while the people who would write to the right hon. member obviously know who he is, they do not always know who his leader is or who his colleagues are.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I doubt whether this will help to solve the difficulty. Perhaps we might move to another question in a moment.

Mr. G. W. Baldwin (Peace River): I have a supplementary question for the President of the Privy Council. Could the hon. gentleman indicate when he is proposing to bring forward for consideration by this House the report of the Committee on Statutory Instruments which recommends certain protection against arbitrary ministerial actions?

Mr. Diefenbaker: The Bill of Rights does that now. This post office order is flouting the Bill of Rights.

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the Postmaster General. I wish to ask him whether at some later date he could make a statement on motions or issue a press release outlining his side of the story on the cabinet split?

Mr. Speaker: Order.

Mr. MacInnis: Mr. Speaker, I am rising on a question of privilege concerning all members of the House regarding the longstanding principle of cabinet solidarity, which is of the essence of government in this country. I asked the Minister of Communications that question because of a bulletin put out by the Department of Labour in which the Minister of Labour referred to the cabinet split, and while patting himself on the back ran down the Minister of Communications.

Some hon. Members: Oh, oh!

EXTERNAL AFFAIRS

RHODESIA—STRENGTHENING OF ECONOMIC SANCTIONS

Mr. Andrew Brewin (Greenwood): My question is for the Secretary of State for External Affairs. Is the government taking any further action to strengthen economic sanctions against Rhodesia as a result of the recent resolution of the Security Council on that subject?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the hon. gentleman and the House know we have, of course, severed all relations with that régime. We have complied fully with all existing United Nations sanctions. We are now reviewing the situation in light of the latest resolution.

POST OFFICE

MONTREAL—LOSS OF MAIL IN FIRE

Mr. William Knowles (Norfolk-Haldimand): My question is for the Postmaster General. I wish to ask the minister whether he can advise us on the extent of the loss of mail which was involved in the weekend fire at the central post office in Montreal, and also the types of mail that were destroyed in that fire?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): The mail that was burned, which consisted of approximately 30,000 letters, was mainly first class mail. Some mail that was damaged was second or third class mail.

An hon. Member: Were there any coupons in it?

Inquiries of the Ministry

Mr. Knowles (Norfolk-Haldimand): Is the minister able to advise the post office patrons who lost the mail what prospect there is of receiving compensation for their losses?

Mr. Kierans: We will certainly do our best to ascertain the names and addresses of those who had their mail damaged or destroyed, and we will take it up with them.

MONTREAL—LIFTING OF PARCEL EMBARGO

Mr. Mac T. McCutcheon (Lambton-Kent): I have a supplementary question for the Postmaster General. Can he tell us when he intends or will be able to make an announcement regarding the lifting of the embargo on parcels to Montreal.

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): That will certainly depend on the success which Mr. Goldenberg has. At present the mail is still being delayed and there is no immediate prospect of it; by that I mean to date.

MONTREAL—TRANSFER OF LAPALME TRUCKS TO NEW DELIVERY CONTRACTORS

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary question for the Minister of Communications. Are the trucks now being used by G. Lapalme for delivery of mail in Montreal being transferred to the five companies which take over the mail delivery contracts on April 1?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): No, Mr. Speaker, they will make their own arrangements.

HOUSE OF COMMONS

SECRETARIAL STAFF OF LEADER OF CREDITISTES

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the House Leader. This, Mr. Speaker, is a matter in which you and I have a mutual interest. Would the House Leader investigate the claims that were made in print by the leader of the Creditiste party on Saturday that he had 11 secretaries in his office and did not want to leave it? Are we all going to get the same treatment, and will he also investigate the other questions involved?

Hon. Donald S. Macdonald (President of the Privy Council): I am sure we are all curious as to whether Mr. Yvon Dupuis will be moving in with the 11 secretaries.

[Mr. Kierans.]

POLLUTION

AIR—INTRODUCTION OF LEGISLATION

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of National Health and Welfare. In view of the fact that the Ontario government has proceeded on its own with action regarding air pollution measurement, can the minister tell us when we may expect the clean air act which he has been promising us for some time?

Hon. John C. Munro (Minister of National Health and Welfare): I have already indicated that we have this under consideration for the next session.

AGRICULTURE

DAIRYING—LEVY ON OVER-QUOTA PRODUCTION

Mr. H. W. Danforth (Kent-Essex): I should like to direct a question to the Minister of Agriculture arising out of the statement he made on motions today. May I ask the minister if, under the terms of the new policy announced today, the government will in effect be placing a levy of $1.25 per 100 pounds of milk on all manufactured milk offered for sale in Canada, other than that under the government quotas established by the Dairy Commission?

Hon. H. A. Olson (Minister of Agriculture): The answer to that question is very clearly outlined in the statement that I made, a copy of which I sent to the hon. member's party at about 1.30 p.m. today.

Mr. Danforth: I have a supplementary question, Mr. Speaker. Will the minister say either yes or no for the record?

Mr. Olson: The answer to the question has already been given in the House very clearly.

CONSUMER AFFAIRS

INCREASE IN AUTOMOBILE INSURANCE RATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Consumer and Corporate Affairs. In January, I asked if his department was looking into the matter of the increased rates for car insurance. I asked him that question again on February 9. At that time he said he was going to make a statement fairly soon as to the result of his department's investigation of these increased rates. Since it is now March

23, I wonder if the minister is able to make a statement as to what progress his department is making in this regard.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister whether the investigation is going on and if the minister expects to give the results of that investigation to the House fairly soon?

Mr. Basford: My officers are still considering the matter, and when it is useful for me to say something I will make a statement in the House.

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR STATEMENT ON FUTURE GOVERNMENT ACTION

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minister. As the control of inflation is impossible without the active co-operation of organized labour, and as the government has failed to receive assurance of that co-operation today, would the Prime Minister take the first opportunity on motions to outline to the House what steps the government intends to take in pursuit of its control of inflation in the future?

Right Hon. P. E. Trudeau (Prime Minister): Without waiting for that occasion, I will say that we do not share the opinion of the opposition that control of inflation is impossible.

Mr. Hees: May I take it then that it is possible to control inflation without the co-operation of labour?

Mr. Speaker: Order, please.

POLLUTION

NAMING OF MEMBERS OF SPECIAL COMMITTEE

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, on February 20 the House agreed to a motion to set up a special committee of the House on pollution. I wish to ask the President of the Privy Council when we can expect a motion before the House listing the membership of that committee?

Hon. Donald S. Macdonald (President of the Privy Council): I believe I am correct in saying that we do not yet have the nominees from all parties, but I will check it.

PRICE STABILITY

APPOINTMENT OF JOINT PARLIAMENTARY COMMITTEE

Mr. David Lewis (York South): I wish to ask either the Minister of Consumer and Corporate Affairs or the President of the Privy Council why the government has not brought forward government order No. 53 which was put on the Order Paper on December 17 last for the purpose of setting up a joint parliamentary committee to study the reports of the Prices and Incomes Commission, and whether it is intended to deal with that order very soon?

Hon. Donald S. Macdonald (President of the Privy Council): The principal reason is that we wanted to give precedence to the second reading stage of legislation and, as the hon. member knows, there has been a considerable volume of legislation on the Order Paper. It is hoped we can get to it very quickly.

MISCELLANEOUS ESTIMATES

PROCEDURAL IMPLICATIONS OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Speaker: Before proceeding to orders of the day may I refer to a suggestion I made to the House last week that the Chair had serious misgivings about a report of the Standing Committee on Miscellaneous Estimates. I have studied the matter since then and might be in a position to give my view. However, I understand that the hon. member for Peace River has his own views which he wants to bring to the attention of the House. There is perhaps not all that much urgency about the matter, and it might wait until tomorrow at which time the Chair could hear the views of interested hon. members on it. Orders of the day.

• (3:30 p.m.)

GOVERNMENT ORDERS

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1970

MEASURE TO SUPPLEMENT PENSIONS

Hon. Donald S. Macdonald (for the President of the Treasury Board) moved that Bill C-194, to provide supplementary benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to

amend certain acts that provide for the payment of those pensions, be read the third time and do pass.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, Bill C-194 has been considered and debated at each of the stages thus far, namely, second reading, the standing committee stage and the report stage. Our views on this legislation have been made very clear, I trust, both in the statements that we have made and in the recorded votes that took place in this House on Friday. Therefore, it is not necessary to extend the debate at this time.

I shall endeavour to take less than my allotted time. I shall endeavour not to provoke a lengthy debate, but there are a few things that I think should be said before we finish with Bill C-194. As we have made very clear, one part of this bill has our complete support. I refer to the portion of the bill that establishes the principle that pensions of retired civil servants and of others whose pensions come from the federal government should be escalated in the years after retirement.

This bill provides that there are to be increases in the pensions of all civil servants who are now retired, and of those who come under all the categories covered in this bill, and that from now on when persons on the various federal pensions retire those pensions will be subject to increases each year thereafter if the cost of living continues to rise. I need not take any time to remind the House of the urging that I have carried on with respect to this matter for a great many years. But I repeat that I am very happy that this principle is being written into law.

The other part of the bill is a part that some of us resent very deeply. We think it was quite unfair, almost an insult, to put into a bill that is providing just one thing for everybody else a substantial revamping of the Members of Parliament Retiring Allowances Act. Entirely apart from questions of judgment that one might make as to the generosity or otherwise of the changes that are made in our pension plan, we just do not think it is fair to ask Parliament in the same bill to do something for all pensioners that come under the federal wing and then to single ourselves out and do for ourselves something very special, something over and above what we are doing for everybody else. We indicated our opposition to this by the amendments that we moved at the report stage, and by the four recorded votes that took place last Friday.

[Mr. Macdonald (Rosedale).]

Any vote at this stage would of course be meaningless because those of us who like one part of the bill but do not like the other would have to say that if we voted for the bill we would be voting for the increases in pensions for retired civil servants, but if we voted against the bill we would be voting really against the provision for increasing the pensions of Members of Parliament. Therefore, Mr. Speaker, I suppose we have to settle for the fact that, thanks to the report stage, we have been able to make our position clear by the way we voted on Friday last. But in my view there are, as I have already said, a few things that should be put on the record before this debate closes.

The first thing I want to say, Mr. Speaker, is perhaps a repetition of something I have said at other stages, but it concerns me even more now than it did when we were dealing with this legislation last week and the week before. I refer to the fact that there are many retired civil servants, and many widows of retired civil servants, who are due for bitter disappointment at the end of April. I refer to those retired civil servants and to those widows of retired civil servants who are receiving pensions so low that they are also receiving amounts under the War Veterans Allowance Act.

As hon. members know, there is no means test, no needs test or dollar ceiling, or any limit whatsoever on the escalation that is to take place in the pensions of retired civil servants or their widows. There is a formula, based on the number of years from the time they left the service, and that formula is applied mathematically. When the percentage calculation is made the person drawing the pension gets the increase. There is no question about it. There is no means test, no needs test, and there is no dollar limit.

But, Mr. Speaker, in the case of those who are receiving the War Veterans Allowance it is now quite clear that the amount they receive as an addition to their public service pension as a result of this legislation, will be cut off their War Veterans Allowance. I mentioned this at the second reading stage. I brought it up again in the Standing Committee on Health, Welfare and Social Affairs. I was told there that this would have to be dealt with in the general context of the War Veterans Allowance Act, rather than under this legislation. I made the same statement here at report stage, and got the same reply. I do not accept that reply, Mr. Speaker. It is in this bill, C-194, that we are making this

provision for these supplemental payments, and I think it is in this bill that we should deal with all those pieces of legislation that are related to it.

As hon. members are aware, there is a schedule attached to the bill that lists 15 different acts that are being amended, and then it has a sixteenth item that is a sort of omnibus paragraph, naming many other acts that might also be affected by this legislation. In other words, the government quite clearly in this bill went out of its way—and I approve of this—to amend all those statutes that had to be amended to carry out its purpose. I contend, therefore, if it was the intention, so far as the government was concerned, that all these people should get the benefit of the increase it should have made the necessary provision in this legislation to amend the War Veterans Allowance Act.

• (3:40 p.m.)

On an earlier occasion, Mr. Speaker, I read a sentence or so from the letter which the President of the Treasury Board (Mr. Drury) enclosed with the cheques that went out a month or so ago to all retired civil servants, their widows, retired armed forces personnel or their widows, retired RCMP personnel or their widows, and all the rest of them. The sentence is over the signature of the President of the Treasury Board and the letter is dated February 2, 1970. The key sentence is:

> I would also like to point out there will be no means tests or needs test in this connection and that all in receipt of pensions whether former employees or widows and dependents, will benefit from the new provisions.

I do not think I am doing any violence to that sentence if I pick out the key words to make clear what the President of the Treasury Board said to between 70,000 and 80,000 people. The key words are "all will benefit". Since December 19, I have received hundreds of letters, and I have one on my desk here and now, which just came in on Saturday. I found it particularly sad to receive a letter like this just a day after our debate of last Friday. I shall not quote the letter verbatim because I do not wish to identify the writer, but it is from a widow in Swift Current, Saskatchewan. Like a good many letters that I have received in the past few weeks it expresses great pleasure that this battle has been won and that pensions are to be increased. The lady mentions the letter she received from Mr. Drury, as she put it, informing her that all pensions would be increased effective April 1, 1970. Most of these people know that April 1 really means the end of the month, or they soon will know it.

The letter I received expresses thanks to the President of the Treasury Board and to the government for the increase and I have to say that the lady indulges in some kind remarks about my part in this over the years. In fact, she says she could not let the matter pass without writing to thank me but my modesty keeps me from reading that part.

Some hon. Members: Please do.

An hon. Member: Go ahead.

Another hon. Member: We will let you.

Mr. Knowles (Winnipeg North Centre): After the press gallery skit of Saturday night my modesty will not let me. The lady goes on to say how much it is going to mean to thousands of people like herself. At one point she is thanking me, not only on her own behalf but on behalf of all concerned. As an afterthought she adds the hope that in her case the war veterans allowance which she receives will not be reduced when she gets the increase in the pension as a widow of a civil servant.

How does one reply to a letter like that, Mr. Speaker? How does one reply to a widow who has expressed great gratitude for what has been done, who thanks me for my part in it and says that she is speaking for thousands of people, and I know that she is. I have to write back saying that I am grateful for her kind words but I have to tell her that under the legislation as it stands, the bitter truth is that she will get the increase in the pension as the widow of a retired civil servant but that the war veterans board will reduce her war veterans allowance by the same amount.

An hon. Member: The Lord giveth and the Lord taketh away.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, hon. members can make their comments but this is a disgrace. Letters like this will come to hon. members in the next two or three months as veterans and their widows on allowances discover that the words of the President of the Treasury Board are not being kept. I call upon this government to stand behind what the President of the Treasury Board stated when he sent this letter to the 70,000 or 80,000 people in receipt of pensions, telling them that "all will benefit".

As hon. members know I have taken up the matter by asking a question in the House of

the Minister of Veterans Affairs (Mr. Dubé). This will be found in the February 9 issue of *Hansard* at pages 3358 and 3359. I also took up the matter in the Standing Committee on Health, Welfare and Social Affairs. The Minister of Veterans Affairs was good enough to write to me saying that he still felt very sympathetic toward my position but he saw a number of difficulties and he felt that the government would not be able to deal with this matter now. He continued:

> As you are aware, the Prime Minister, on June 17, 1969, advised the House that the whole fabric of federal social legislation was under review. As war veterans allowance is a social measure, it is included in this study. As this review is continuing I am unable, at this time, to indicate what changes, if any, may occur in the War Veterans Allowance Act. Your suggestion will be kept in mind when changes in the act are contemplated.

I suppose I should be encouraged by that, Mr. Speaker, but I do not know when the War Veterans Allowance Act is going to be amended. In the Standing Committee on Veterans Affairs we are dealing with the Woods report and the Pension Act, but not with the War Veterans Allowance Act. It is obvious that nothing will be done about it until after we get the white paper on social security. In the meantime, this widow in Swift Current and widows of retired civil servants across Canada who are also receiving the war veterans allowance will discover that the letter from the President of the Treasury Board was wrong when it said, "all will benefit."

I suppose that the President of the Treasury Board will claim that what he wrote is technically correct; they will get a slightly larger cheque as far as superannuation is concerned but the war veterans allowance cheque will be reduced by the same amount, so these people will not benefit, despite his statement that all would do so.

In the main, Mr. Speaker, as far as the civil servants side of it is concerned, this bill is good. It is better than we recommended on May 6, 1967, from our special joint committee. It covers not only the immediate problem but the problem on a long run basis. I give all kinds of praise to that part of this legislation that provides for these pension increases for retired civil servants, but why not finish the job? Why leave in it this serious flaw which hits again at war veterans allowance recipients and the widows who come under the War Veterans Allowance Act. You can tell me if you will that it is going to be considered later on but I know the parliamentary processes better than that. You get something like this when the matter is before the House you get something like this when you are in a bargaining position, you do not get it later on. When letters start to come from other widows like this one, and from veterans across the country, I hope the government will provide us with an appropriate reply explaining why the clear statement of the President of the Treasury Board is not being kept.

That is the main thing wrong with this legislation, Mr. Speaker, but it does not detract from my general praise for it. However, there are one or two other things that I should mention about the civil service side of it. The first is the 2 per cent ceiling per year on the amount by which pensions can be escalated in the future. I recognize that this is tied to the Canada Pension Plan formula, and that that formula applies to old age security and the guaranteed income supplement but at some point we have to break that. It is not good enough to give pension increases of only 2 per cent per year when the cost of living increase is 4 or 5 per cent per year. I suggest that those who are clamouring for this formula to be geared directly to the increases in the cost of living have a point, have a case that the government ought to meet, and I press that case as strongly as I can.

• (3:50 p.m.)

Now, Mr. Speaker, I must move on. That is more or less what I wanted to say about the pension increase side of the bill, namely the part of the bill that raises the pensions of public servants now retired and provides for escalation of pensions in the future. With regard to the other part of the bill, that part which improves the pensions of Members of Parliament, I have let off steam among my friends for the last couple of days following Friday's debate and will therefore spare the House. I feel more strongly about the matter than I did on Friday and the more I think of it the more it seems to me that we will rue the day we brought down legislation that made it possible for a member who has served six years in Parliament to receive a pension of $300 a month for life, no matter what his age may be.

You know, you can argue all you like about the difference between our job and other jobs, about our responsibilities and the monkish life some of us are said to live; but the fact of the matter is that this pension scheme does not fit with pension schemes that apply in general. A pension of $500 a month for life

after ten years' service is, to say the least, pretty good; and for us to be doing this at a time of austerity—and this morning in the Railway Committee room we again heard that restraint must be practised—and at a time when we are saying to all other pensioners that they must wait for the white paper on social security, will not help the good name of Parliament. I still resent this being done. We had the chance to vote against this proposal at the conclusion of debate on the report stage. We indicated where we stood, and it is still my view that Parliament is going too far in what it is doing with regard to pensions of Members of Parliament.

I said, however, that I would spare the House some of the steam I have let off over the weekend among my friends. I shall content myself with saying this: Now that we have done this, or will have done it once the bill has been read the third time and considered in the other place—and I do not imagine that will take very long—there is a real obligation resting on us not to let the matter of pensions rest where it now is. I have a four-point program; that does not mean I shall speak ten minutes on each point, for I do not have that much time left. I think we must soon review the Public Service Superannuation Act and all other pension acts similar to it. On Tuesday, March 17, as reported at page 9:6 of Minutes of Proceedings and Evidence, No. 9, of the Standing Committee on Health, Welfare and Social Affairs, I proposed a motion which was ruled out of order. I will not repeat the arguments I advanced but I should like to put my proposed motion on the record because I think it spells out what we ought to be doing. The proposal as reported in the committee proceedings, reads as follows:

> Mr. Knowles moved,
>
> That this Committee recommend to the House that there be an early reference of the Public Service Superannuation Act, and other similar acts, to an appropriate committee, for the purpose of reviewing such legislation to determine improvements that could be made therein, such review, notwithstanding the generality thereof, to include the level of contributions, the formula for the determination of pensions paid under such legislation, the percentage granted to widows and other dependents, the administration of such plans and the question of their being made subject to collective bargaining.

I find, on reading that proposed motion again, that it really does cover the points that ought to be dealt with in any review of the Public Service Superannuation Act. We did not ask for this last December 19 because the only thing then before us was the general question of escalation of pensions. Now, because we have opened the act governing our pensions, so to speak, I think we must open these other acts, review them, and look at the various points which have been raised.

I know there is a certain amount of feeling building up in the Public Service against paying this extra half of 1 per cent in contributions for supplemental benefits. I may say that I am not indulging in the privilege of which the opposition sometimes avails itself, namely damning the government on every point. I am not doing that. I am writing the kind of responsible letters we always write on this side, making it clear that by paying this extra money into the fund we are not only providing money for those already retired but we are buying an escalation of future pensions, of the pensions of those who will retire in future. I doubt if you can buy any better form of insurance. As an item off by itself, it is good, and as one who has worked for 25 years trying to improve the pensions of retired civil servants, I am glad to pay the extra $7.50 a month—and I hope other hon. members are equally glad—to make possible the escalation of their pensions.

I am saying to civil servants who come to me complaining about the extra one half of one per cent they must pay, "I understand how you feel; I understand this is a last straw; but what we really ought to be doing is not zeroing in on that extra half of 1 per cent, but calling for a review of the entire legislation, of the level of contributions generally and the formula under which pensions are determined; of the amount payable to widows, which is 50 per cent of a pension for the widows of civil servants and 60 per cent for our widows; and the big issues you must raise are the matter of administration and the question of pensions being made subject to collective bargaining." I hope this will be done; in fact it must be done.

My motion the other day was ruled out of order. I will not propose it again, since I know I cannot do so at this third reading stage. But I suggest that just because we have obtained this increase for retired public servants we must not assume that the job with respect to pensions is done. All these broader issues must be dealt with, especially in view of what we have done for ourselves. I, therefore, call on the government to take the initiative in seeing to it that the broader question of the operation of the pension plans and pension accounts under which federal employees

receive their pensions is examined at the earliest possible date. I said I would propose a four point program, Mr. Speaker. This is the first point, that we ought to review the Public Service Superannuation Act and related pension acts, and in my book this is a must.

Point No. 2 is this. I think we simply must review the War Veterans Allowance Act and particularly its means test provisions. The most difficult letters I receive and have to answer every week relate to this. I do not get such letters as the one on my desk only once in a while; I get them all the time. We simply must review that piece of legislation, particularly in view of what we have done for ourselves.

My third point is that we ought to give more consideration to other pensions. The question of CNR pensions has been referred to the Standing Committee on Transport and Communications, and the committee should get cracking on that matter. There is also the question of those people who are covered by the Intercolonial and Prince Edward Island Railways Employees' Provident Fund. Some of these people thought they were covered by Bill C-194, but I find they are not. I find also that retired employees of the Bank of Canada are not covered. I do not mean the big people at the top; they fix their pensions very nicely. I am speaking of the ordinary Joes who are not covered so far as the increases in this bill are concerned. If we are to do a good job, let us consider all these people.

We must also take another look at the Pension Benefits Standards Act, that federal legislation governing the standards the pension plans of private companies must meet. The day must come when, through legislation, we shall require all pension plans to contain a pension escalation clause. The Standing Committee on Transport and Communications can tell the CNR to treat its retired employees the same way the federal government treats its retired federal servants, but it cannot say that to the CPR. But we can write that sort of provision into the Pension Benefits Standards Act. So, Mr. Speaker, for the benefit of those who think our job with respect to pensions is over, I can say it is not over and probably never will be. But there are specific improvements that we can make.

My fourth point in my four point program relates to the Old Age Security Act. The government is saying to the people who come under that legislation that they must wait for the white paper on social security. We did not have to wait. We have gone ahead with ours.

This fact puts added pressure on us to do something about old age pensions at this session. We have been told since last October we were going to get the government's white paper. We will not get it in March, Mr. Speaker. We might get it in April, but more likely in May or June. Then, of course, it will have to be digested, sent to committee and all the rest. The way the present timetable is set up there is just no room for an old age pension increase at this session.

• (4:00 p.m.)

I come back ad nauseam to what we have done for ourselves. I say we have not made just a change of degree, we have made a change of kind. We brought in for ourselves the guaranteed annual income. It is a new concept. If you can win two elections, you will receive the guaranteed income. We have done it generously and handsomely. Having done that, we cannot go on leaving our old age people at $75 a month with a 2 per cent increase per year, $30 extra if you pass a means test. I think the time has come for a new guaranteed income concept that involves pensions of a level at which people can live. By all the gods of war, we in this House who are doing for ourselves what this bill provides, although it is over the protest of some of us, have an obligation not to rest and let this issue wait until the next session or the session before the next election.

As members of the House of Commons have made pensions a major issue, we have made pensions something worth getting, something which will add dignity and decency to life, at least that is so for ourselves. It is time we did this for all. The obligation to do this is made even greater because of what we have done for ourselves. Am I hopeful it will be done? I am afraid I am not. I have sat opposite this government long enough to realize it does not have any heart. It is not concerned about old age pensioners or war veterans allowance recipients. My prediction is that nothing will be done, not by this government.

Not only do I know this government, but I know the processes of Parliament. The only way you can get something is when you have a bargaining position. You do not get it afterwards. Members will say, having done this for ourselves, we will now do something for others. We do for others only as long as there is any point of pressure left. Once this bill is through, the Public Service Superannuation Act, the War Veterans Allowance Act, the Pension Benefits Standard Act and the Old

Age Security Act will wait. The member for Winnipeg North Centre will ask questions about them week after week, but come the end of the session nothing will have been done. That is not a very hopeful prediction, Mr. Speaker. Well, if it sounds a bit cynical, I throw to the government the challenge to prove me wrong.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, after listening to the hon. member for Winnipeg North Centre (Mr. Knowles) I am happy to say, in contrast to the debate last week, that I agree with some of his remarks. Those of us who have followed the pension issue certainly agree that a good deal more should be done. Any groups that have been excluded from this measure should receive equal treatment. No doubt there are some basic principles that could be put into the framework of proper pension legislation. I wish to make a few comments in reply to some of the points that the hon. member has made. I feel these remarks should be on the record.

The hon. member referred to the pension plan for members of this House as a guaranteed annual income. I intend to make one or two observations in this regard. Contributions based on current service go from $720 to $1,440. Those members of this House who make up their arrears of contributions back to 1963 will have made a payment of $4,860, plus interest. This amount will be in addition to current contributions. When we talk of guaranteed annual supplements, guaranteed annual incomes and all the rest of it, I think there is some obligation to put the increased contributions and the actuarial sum on the record. A great many of those elected to this House will never draw a penny of benefits. They will have the privilege of paying fairly substantial amounts of money into this fund and those amounts will be refunded to them without a penny of interest after their service, even after the adoption of these amendments.

I wish to make a few comments on the important measure before us, the escalation of pensions for a large number of people. My colleague, the hon. member for Ottawa East (Mr. Richard), chaired the committee which brought in a report three years ago recommending that increases be made in pensions of those who have retired. This recommendation has been consistently supported by a large number of members of this House. We are proud and delighted to see that something has come out of it.

The hon. member for Winnipeg North Centre has made a substantial point with regard to war veterans allowances and the increases under this bill. This point was discussed in committee, Mr. Speaker. There was an exchange between the hon. member and myself the other day during the debate on the report stage. I would like to review the point because I feel the hon. member is mistaken in what he is contending. I will refer to the situation of two widows, one of whom is eligible for war veterans allowance and the other not. If the hon. member's procedure were adopted, it would introduce into the war veterans allowance scheme a principle of discrimination. The widow who is receiving this benefit would be permitted an addition which would not be permitted to any other widow under the war veterans allowance scheme.

There have been only two revisions to the pensions of widows of civil servants. One was in the late fifties, under the previous administration, and this is the second. How often have war veterans allowances been adjusted? The last adjustment was less than three years ago. The widow who is benefiting from the war veterans allowance has at least had the benefit of a regular revision, however inadequate in the view of the hon. member for Winnipeg North Centre.

The attempt to introduce amendments to war veterans allowances by means of amendments in other pieces of legislation such as this, can only destroy the uniformity of the war veterans allowances scheme. The proposal to increase the ceiling of payments under the War Veterans Allowance Act by an amendment in this bill is not appropriate. I had hoped the hon. member would recognize that it is not a clear, logical or fair thing to pick out one category of war veterans allowance beneficiaries and say they should be given benefits which are denied to other recipients. If the hon. member would think it through, he would be the first to agree that if we once started on that thorny path we would make uniform distribution of war veterans allowance impossible.

I look forward to improved standards of pension administration. The hon. member for Winnipeg North Centre has done an excellent job of setting some long-term targets to which many of us subscribe with all our hearts. The approach I had hoped the hon. member would have taken with regard to the measure before us would have been to say here is one small group of people, numerically, and any changes that are introduced should be consistent with the principles he advocates.

Statute Law Amendment Act, 1970

I heard the hon. member and other spokesmen for his party attempt to delete the improvements to the present scheme for Members of Parliament. Their approach was to strike out every single change proposed in this bill to the present scheme. The hon. member for Winnipeg North Centre did not offer a single amendment to improve the scheme. He deleted every change proposed. Instead of taking the opportunity of making the scheme, covering a relatively small number of people, consistent—

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Was not the purpose of my amendments to strike out everything except what was proposed for all?

• (4:10 p.m.)

Mr. Francis: The hon. member has given us a statement of principles that would guide him. He has indicated that in the amendments to the Public Service Superannuation Act it should be possible to introduce new features which he may regard as an improvement. I offered him a challenge which I hoped he would take on this occasion to introduce amendments consistent with these principles and write them into the bill. Certainly, they should be applied across the board. The 60 per cent provision for widows was in a previous act; there is nothing new about that. There are many other amendments for which staff associations are fighting as a matter of principle. I am sure that all of us would have been delighted to see a model piece of pensions legislation that is consistent with the hon. member's principles, but his approach has been to delete every other change.

The only fallacy in his argument is that few widows of public servants get pensions between $500 and $1,000 a year, or between $1,000 and $1,500. The hon. member says that the husbands of these widows were not of long service, but the way the plan is set up they will never be able to get the benefits. Therefore, there can never be an average rate of widow's pension that is in any way adequate. I suggest that the hon. member did not attempt to deal with the substance of the matter at that point. However, that is the way he chose to proceed.

Mr. Knowles (Winnipeg North Centre): May I ask the hon. gentleman what our widows will get under the new provisions?

Mr. Francis: The widows will get a substantial improvement under the new provisions. If a member had, say, six years service they would get 60 per cent of $3,700, which is a substantial improvement over what is offered now. I am sure the hon. member would agree that this would be desirable. Then, there will be the survivors' benefits for children on top of this, which were not there before, though they were available under the Public Service Superannuation Act. I did not hear the hon. member for Winnipeg North Centre once say in committee that, although he was deleting this benefit, there should be a survivor's benefit in the member's plan. All of these benefits he denied, keeping the plan a substandard plan, the kind of plan that unfortunately has been in existence for too long.

I regret that I have had to speak on this question at such length. I am as strong in my convictions as the hon. member and I yield to no one. I know that the people I represent are civil servants, and that it is very easy to play to the gallery and to say that one did not take the pension for oneself. It is easy to tell them that we are terrible people who are lining our pockets instead of moving detailed amendments that will bring about an improvement in pensions legislation.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, there are, of course, some parts of this bill of which I am critical, but there are many other parts of which I approve. Other members have mentioned the escalation clause contained in the bill and looked upon it as of great benefit. I look upon it with perhaps a jaundiced eye. Perhaps it is that I am cynical, but it seems to me that by including this cost of living escalation clause in our pension plan the government has admitted there is no way to stop this terrible escalation in our cost of living, and this causes me a little concern.

Another item that really bothers me is this. The government engaged the services of Professor Curtis from Queens University to study this plan, and he has done so for a couple of years. In my humble opinion, he brought in some very excellent recommendations. I wish to refer to one only. As I understood it, he recommended that this benefit be treated as a pension, not as a guaranteed income. He further suggested that the pension should not be payable until the recipient had attained the age of 55. I think he also inferred that if the pension were paid at a younger age, it should be the actuarial equivalent of the amount that would be payable at age 55.

I would support this principle, but his advice has been ignored. I know that we play politics here, and that politics is the art of the possible. Therefore, I assume that as a result of pressure from certain quarters, perhaps, this proposal was left out. However, theoretically this situation can result. If a young man comes to this House at age 21, six years later, at age 27, he could start to draw a pension of $3,780 per year. Given a life expectancy of around 60 years, he will tap the treasury for $226,800. Yet a man who came to the House at age 51 and stayed till he was 57 would only get 50 per cent of that amount, given the same life expectancy. So, I would take exception to this particular provision in the plan.

My third complaint is this. There are few people in this great land of ours who at any time during their productive years or years of employment will be called upon to make such a fantastic deposit toward a pension as provided for in this plan. Very, very few industrial corporations have the unmitigated gall to charge their employees 12 per cent on their $12,000 salary by way of pension contributions. Some people like to say that it is 8 per cent on $8,000. I do not. I say it is 12 per cent on $12,000 salary.

Having said that, I am delighted that the constituents of my hon. friend from Winnipeg North Centre (Mr. Knowles) are going to receive some benefit. However, the average Member of Parliament at the present time will have a hell of a hard time making the deposits required.

Motion agreed to and bill read the third time and passed.

TEXTILE LABELLING ACT

MEASURE CONCERNING CONSUMER ARTICLES

Hon. Donald S. Macdonald (for the Minister of Consumer and Corporate Affairs) moved that Bill S-20, an act respecting the labelling, sale, importation and advertising of consumer textile articles, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

Mr. Macdonald, Rosedale (for Mr. Basford) moved that the bill be read the third time and do pass.

• (4:20 p.m.)

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, before the bill is given third reading, I wish to make a few comments, since I think it will mostly affect textile workers.

We all know the textile industry is one of the oldest in the province of Quebec and even in the country. It is most vital because, with related industries, it provides a great number of jobs. In the province of Quebec alone, the primary textile industry employs at least 47,000 of the national total of 83,000.

The clothing industry is closely connected with that industry. In Canada, some 110,000 people are employed in the clothing industry, 60,000 of them in the province of Quebec alone.

Labelling should be carried out and that practice would be welcomed by all, because in the past importers have knowingly misled the good faith of Canadian buyers.

I greatly approve the step proposed by the minister (Mr. Basford) and while I do not want to delay the proceedings of the House, I will just the same add a few words.

I think that I will have the opportunity to bring the matter up again before too long and state to the House other reasons why the government should endeavour to protect that industry.

Mr. Speaker, the annual output of the Quebec textile industry is worth $850 million. It is also interesting to note that between 1961 and 1966, capital expenditures totalled $635 million in the province of Quebec. I am therefore of the opinion that that industry is of prime importance to the economic life of this country and our province, and we should do the impossible to try to assure its survival, for that is a truly domestic industry.

Between 1954 and 1968, the part of the textile industry in the Canadian trade fell from 68 to 60 per cent. If my information is correct, those imports are even less important now than they were in 1968.

From 1954 to 1967, imports of textile products and clothing from countries where production costs are low have increased from 5 to 43 per cent. Even if more information is given on the labels of consumer products, Canadian consumers will have lost much if Canadian workers lose their jobs.

From 1954 to 1967, the labour force in the Canadian textile industry decreased by 5.8 per cent, which represents 5,000 jobs. The other day I read in a magazine that if textile products imported in 1967 had been produced in Canada, 20,000 new jobs would have been

created. Naturally, a large number of other jobs would also have been created in the related field of clothing.

The Canadian textile industry is much more in need of encouragement than of a measure making it mandatory for a manufacturer to identify in a particular way the various elements found in textile products. As I said before, the measure in itself is good, but it is not exactly what we wanted. Those involved in the Canadian textile industry claim that because of the very active competition, their warehouses are overstocked with enough merchandise to last over a couple of years. This situation could be remedied by merely guaranteeing some 70 to 75 per cent of the Canadian market to Canadian industry.

It does not strike me as an exaggeration to ask the Canadian government to reserve 70 per cent of the Canadian market for the Canadian textile industry. Expenses of this industry, the considerable amounts invested in it each year, deserve better consideration from those who are now in charge of the nation's affairs. According to information made available to me, Canadian manufacturers, provided they could depend on 70 per cent of the Canadian market, are in a position to guarantee that by 1975 they will have created from 16 to 18,000 new jobs within the industry itself. They also guarantee that the prices of their products will not be higher than they are now.

Moreover, it is very interesting to note that during the last ten years, the prices of textile products have practically not increased. In fact, they have increased by only a fraction of a cent while this industry has to pay for services much more costly than in the past and to make expenditures that have never been so considerable.

Those are the few remarks I wanted to make in the matter. In the name of Canadian workers, I reiterate my request to reserve to the Canadian textile industry a reasonable portion of the national market, that is, from 70 to 75 per cent. In so doing, the government would help, not only the workers of the clothing and textile industries, but also the population in general, since people working in these two sectors spend their money in the country and therefore contribute to the economic life of Canada.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to say just a few words about this bill before third reading is given. I feel that this bill meets with the approval of consumers across Canada in general, and the Consumers' Association of Canada, as far as it goes.

• (4:30 p.m.)

After all, this is only half a bill because it provides for labelling in respect of the fibre content of textile articles and lays down penalties in that regard but does not include the other provision which the Consumers Association wished to have included in this bill. I refer to care labelling; in other words, instructions in respect of the washing and care of the textile fabric or article. I do not think this is a matter which should be brushed aside lightly. The minister indicated he believed it would be better if this were handled on a voluntary basis. If it is deemed necessary for consumers to have legislation containing a guarantee in respect of fibre content labelling so that there will be no fraudulence or error in this area, I cannot for the life of me see why it should not be equally mandatory that once the consumers have purchased the article they should be able to see right on the garment or article instructions with regard to washing and cleaning.

The statement of the minister that later on he will introduce legislation in respect of voluntary care labelling does not meet the request of the Consumers Association of Canada. After all, this organization represents all the organized consumers in this country. I should like to point out that their request was not the result of a hasty decision. The Association has looked into this matter for many years and resolutions on that point have been passed at conventions over a long period. This request resulted from a definite resolution passed at the last convention, and was to the effect that both measures be included in the legislation. In my view, the absence of provisions in respect of care labelling in this legislation is a shortcoming in a bill which otherwise would be a satisfactory one. I am sure consumers will be waiting for the provisions in respect of voluntary care labelling, but rather than have them contained in separate legislation I would much prefer to have the minister open up this measure again and include them as a fundamental part of this mandatory legislation.

Rather than have legislation brought in which would contain purely voluntary provisions, we would like to have a bill which contains both halves rounded up in one package. Some of us will not rest content until we have the second half of these necessary provisions on a mandatory basis. Legislation in

respect of textile labelling should also include care labelling.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to and bill read the third time and passed.

[*Translation*]

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

AMENDMENTS RESPECTING ASSOCIATED CORPORATIONS, RECOVERY OF GRANTS, CONTENTS OF AGREEMENTS, ETC.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved that Bill C-193, to amend the Industrial Research and Development Incentives Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, to become or remain, as the case may be, competitive in Canada and abroad in an ever freer international market, Canadian industry will have to innovate, and offer for sale goods that are increasingly useful, perfected, and sophisticated. That is its responsibility. Ours, that of the Parliament and the government is to help it, on occasion, to achieve that objective.

It must be noted that considerable progress has already been and is being achieved. For instance, in the last ten years, Canada has considerably strengthened its international position with regard to manufactured goods exports. Indeed, they represented 12 per cent of our total exports in 1959, and almost 40 per cent by 1969. That is very good.

However, that increase is not distributed equally throughout the industry. It is concentrated in a few sectors only, such as the automobile and the defence industries, where agreements with the United States on the removal of customs duties led to increased rationalization and productivity in our industry.

Mr. Speaker, one of the main functions of my department is to get other sectors of the Canadian industry to participate in the growth of our manufactured goods export trade, and one of the main ways to reach such a goal is to increase research and development in industry but also to point out their importance as well.

Research and development, that may be a stock phrase, but it is one of the main ways to realize fully our secondary industry's competitive possibilities. It is therefore essential for Canadian industry to allocate adequate funds to it and to boldly apply the results of such research to the creation of new products and new processes and turn those to account on the international as well as on the national markets.

Mr. Speaker, the amounts earmarked for research and development in Canada are fortunately increasing. Considering the contribution of all participants—the federal government, industry, universities, we come now to a total of $952 million, which can be broken up as follows: federal government: $501 million, or 52.5 per cent; industry: $267 million, or 28.2 per cent; universities: $171 million, or 18 per cent; other sources: $13 million, or 1.3 per cent. The total, as I said, come to $952 million in 1968-69.

Considering now those which used such amounts, the distribution is as follows: $312 million for federal government institutions, or 32.8 per cent; $347 million for private industry, or 36.5 per cent; $280 million for universities, or 29.4 per cent, and $13 million for others, or 1.3 per cent.

• (4:40 p.m.)

Although the level of expenditures for research and development in Canada has significantly improved compared to previous years, it is not considered as meeting the needs of an appropriate expansion of the Canadian industry. Industry, as I said before, carries out only 36.5 per cent of all the research and development activities in Canada. Since it is in industry that research and development are used for economic purposes, industry does far too little in that field.

Therefore, the government intends to promote the continuous expansion of this work which will be of major importance for Canada and, notwithstanding the effort of the government to restrict expenses in 1970-71, in most departments and agencies, within the framework of the restraint program, the estimates of the Department of Industry, Trade and Commerce provide for supplementary funds under the IRDIA, PAIT and DIP programs; I will come back to them in a short while.

I have before me a short table which it might be worthwhile to place in *Hansard* if my hon. friends are agreeable. This short table indicates the amounts requested for 1970-71, compared to estimated expenditures of 1969-70. You will note for 1970-71 an increase of $20.6 million compared to 1969-70. If I may be allowed, Mr. Speaker, I should like to place this short table in the official report of the debates of the House.

Industrial Research Incentives Act

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: Text of abovementioned table follows.*]

	1969-70	1970-71 ($ million)	Increase	
IRDIA	22.7	30.0	7.3	32.2%
PAIT	4.5	15.5	11.0	245.0%
DIP	25.0	27.3	2.3	9.2%
	52.2	72.8	20.6	39.5%

Mr. Pepin: Mr. Speaker, in the past, the department has established five programs in order to assist research and development and I have before me another short table which I may be permitted, for the benefit of the House, to place in *Hansard*. This table indicates the increase in expenditures for each of these five programs.

Mr. Deputy Speaker: Is it agreed?

[*Editor's Note: Text of above-mentioned table follows.*]

	Estimated expenditures 1969-70	1970-71
1. Industrial Research and Development Incentives Act (IRDIA) Program of the Department of Industry, Trade and Commerce to promote industrial research and development activities	22.7	30.0
2. Industrial Research Assistance Program (IRAP) Program of the National Research Council to increase personnel assigned to industrial research activities	6.4	7.4
3. Defence Industrial Research Program (DIR) Program of the Defence Council to promote industrial research activities	4.2	4.5
4. Program for the Advancement of Industrial Technology (PAIT) Program of the Department of Industry, Trade and Commerce to stimulate development of products and new production methods in industry	4.5	15.5
5. Defence Industry Productivity Program (DIP) Program of the Department of Industry, Trade and Commerce to encourage development and manufacturing of military and non-military equipment for export. Share for developmental work	25.0	27.3

Mr. Pepin: Mr. Speaker, of course, such programs are constantly under review for improvement. And in 1968, an interdepartmental working group was formed to examine these programs and recommend amendments for improveent. A review of the working group's conclusions and of the action taken with respect to such conclusions was tabled in the House on February 20, 1970. In that report, I indicate amendments which have been made to each of these programs. Today, of course, we shall speak only about the IRDIA program.

The paper to which I have just referred is entitled:

[Mr. Pepin.]

A review of federal government programs to encourage research, development and innovation in Canadian manufacturing industry and expresses a consensus concerning the IRDIA program, that to which we now wish to make some amendments, and I quote the part of the report concerning this program:

There is a continuing need for the general incentive provided by the Industrial Research and Development Incentives Act to encourage increases in research and development. While no changes are proposed to IRDIA at the present time, certain technical amendments are required to remove anomalies that have been noted as a result of experience to date.

So the amendments proposed in Bill C-193 which is now before Parliament do not aim at changing the purposes of the act; they are of a strictly technical nature and are suggested to remove the anomalies discovered by the working group I mentioned earlier.

We all know here about this IRDIA program, and that under this program, grants and credits are paid by the government, namely:

(a) 25 per cent of all capital expenditures involved (to acquire property other than real estate), to promote scientific research and development in Canada, and

(b) 25 per cent of the increase in current expenses made in Canada for research and development according to such average expenditures for the five past years.

Those grants are not subject to the federal income tax. Therefore, they should be added to the 100 per cent deduction allowed for research and development expenditures in Canada under the Income Tax Act.

It will be sufficient to quote a few figures to show what has been done in this regard since the act was passed three years ago. The grants were in the following amounts. I have here a small table which I should like to place in *Hansard,* Mr. Speaker, if the House agrees thereto.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: Table referred to above follows:*]

	No. of applications	Grants
		$ million
1967-68	111	2.3
1968-69	464	20.2
1969-70	630 (est.)	22.7 (est.)
Total	1,205	45.2
1970-71	not available	$30.0 (est.)

Mr. Pepin: The above table shows that, in the last three years, 1,205 applications have been made for a total of $45.2 million. I should add that, for 1970-71, appropriations of $30 million for that program have been included in my department's estimates. Each grant averages to date $37,700.

Experience has shown that about 78 per 100 of the grants have been used for current expenses. When one tries to estimate the general effect of that program on research and development, one can cite as an example that the amount of research made in Canada reached $80.8 million last year and that it went up this year to $100.8 million. These are current expenses allowable during the period between 1968-69 and 1969-70. The program has therefore led to a significant increase in the amounts earmarked for research in Canada.

[*English*]

We come now to the four amendments of Bill C-193. The four technical changes—I emphasize they are only technical—are the following: Section 1 has to do with associated corporations. At present, the act states that companies are associated with one another if they are associated for the purposes of the Income Tax Act. This provision was introduced into IRDIA in order to prevent associated companies not dealing with each other at arm's length from divesting themselves of base period expenditures by cycling research and development from one company to another year by year. Experience has shown that this provision creates an unintended hardship on some associated companies which actually deal with one another at arm's length and which cannot therefore influence the base period expenditures of one another. For example, two companies have been disqualified for grants which otherwise would have totalled $176,000 and 15 other companies have suffered reductions in grants totalling $325,000 because of the associated companies provision.

To remove this anomaly, the proposed amendment would permit the minister to decide that companies are not associated for the purposes of the act in cases where they are dealing with one another at arm's length. Apparently there is no other way to do it than by ministerial discretion. I promise my distinguished friend from Prince Edward-Hastings that I would be respectful of traditions and of virtue when I make such decisions.

Mr. Hees: Especially virtue.

Mr. Pepin: The second section has to do with repayments to Her Majesty. Under the act at present, a company may include in its grant application repayments to Her Majesty of amounts advanced to the company under an appropriation act for the purpose of advancing and sustaining the technological capability of the manufacturing industry. As a result, changes have been made in some of the pro-

grams under which advances to companies are made. These changes would involve some companies in repayments which would not be in respect of scientific research and development in their entirety. The purpose of the proposed amendment is, therefore, to ensure that only the portion of such repayment expended on research and development will be considered an eligible current expenditure for the purpose of the act.

The third section has to do with amalgamated corporations. Some companies created by statutory amalgamations have applied for grants without including in their base periods the expenditures of their predecessor corporations. If this were allowed under IRDIA, companies would be able to circumvent the intent of the act by divesting themselves of base period expenditures by going through a process of amalgamation. These cases have been administered under other provisions of IRDIA, but for greater clarity, and to make the result more certain, it is proposed that the requirement be covered by specific wording to that purpose. This would be consistent with the intent of IRDIA to increase the level of research and development in Canada upon an equitable basis for all companies.

• (4:50 p.m.)

Finally, clause 4 has to do with the sale or transfer of property. The situation is the following: The act now requires that all or part of a grant paid for the acquisition of capital equipment must be repaid to the Crown if the equipment is sold or otherwise disposed of during a defined period. This provision is considered to work a hardship in some instances, notably in those where a company wishes to form a research subsidiary and the equipment is intended, upon sale or transfer, to be continued in use for research and development.

I had a discussion about this point. People who were not satisfied with this particular aspect of the bill came to see me. Since it would not be consistent with the intent of the act to recover grants as the result of such transactions, it is proposed to amend the act to permit the Minister of Industry, Trade and Commerce to annul the recovery provisions where he is satisfied that the equipment will continue to be wholly attributable to research and development.

So there you are, Mr. Speaker. These are four small, technical changes, and I am keen to see the bill go to committee where possibly my officials could give examples of the advantages of changing the act in respect of these matters.

[Mr. Pepin.]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, we in the Official Opposition are perfectly agreeable to the changes proposed in Bill C-193. I have examined them. They tidy up the existing legislation, making it more operative, and therefore we are in favour of these changes. I want to speak for just a very few minutes on the need for tax incentives to increase productivity in this country in order to do two things; first of all, to help control rising prices, and secondly, to increase employment.

One of the principal reasons prices have been rising abnormally is that our productivity has not been increasing at a satisfactory rate. One of the principal reasons unemployment has been rising at an abnormally fast rate during the past few months is also that insufficient increases in productivity have made prices rise abnormally because costs have been rising far too fast.

Let us take a look for a moment at the productivity picture today and see how it compares with the productivity picture in the recent past. During the past 25 years productivity in Canada has been steadily increasing, due to the introduction into our economy of new machines and techniques year by year. In the 25 years that have passed since the end of the Second World War the average yearly increase in productivity has been 3.4 per cent. During the past ten of those years the average yearly increase was 3.7 per cent. During those past ten years, the first six of them had relatively high yearly increase in productivity, but during the past four years the yearly increase in productivity has fallen steadily, and during the past year, 1969, productivity in Canada increased by only 1.5 per cent.

During these last four years interest rates have been rising rapidly, as we all know only too well, and because of this increase in cost to companies requiring the purchase of new plant and machinery, and production systems to increase their productivity at a satisfactory rate each year, these new machines, plant and production systems have simply not been bought by industry to nearly the extent necessary to enable our yearly increase in productivity to maintain at least the rate of increase year by year of our principal competitors in world trade in the export market and to enable our industry here in Canada to compete against foreign competition

The government, through the Prices and Incomes Commission, has introduced measures to control rises in prices to make our products more competitive, more saleable. But unfortunately the efforts of the Prices and Incomes Commission, as we know only too well, have not proven to be effective. They have not proven to be effective, for three reasons. One is that no sanctions have been provided for those who do not live up to the agreement which industry made recently with the government. Second, as we have seen confirmed only this morning, organized labour has not agreed to give the government the co-operation which it needs to make control of inflation a reality. Third, because management is permitted by the government to add labour increases to its increases in costs, above which it is not allowed to raise prices no matter how high the increases in labour costs are each year, they can simply be added onto the increases in other costs and be perfectly well justified.

I believe the only practical method of controlling inflation, bringing prices to a reasonable level, and making our products competitive is to offer industry tax incentives for keeping price rises in a reasonable vein. I have proposed, and propose again, that industry be permitted a rebate amounting to 2½ per cent of its corporation tax each year if it does not raise prices on the average above the 2½ per cent guideline which the government has said is quite satisfactory to it for prices to be increased year by year, and an additional 1 per cent rebate in corporation tax for each percentage point below the 2½ per cent increase, down to no increase at all, so that if a company did not increase its prices in a year it would recover a tax rebate of 5 per cent of its corporation tax.

This would not cost the taxpayers anything because our tax intake, I believe, would increase rather than decrease. There would be more people working, more goods would be sold, our products would be more competitive against those with whom we are competing, more taxes would be paid by people working instead of their drawing unemployment insurance. There would be more commodity taxation collected because more commodities would be sold, and there would be more corporation taxes collected because greater sales reduce the unit overhead of the products we sell, making it possible for more profits to be taxed.

Therefore, Mr. Speaker, I strongly urge the government to introduce such an incentive in order to make a practical reduction in our very rapidly rising cost elements, and in that way make our products more competitive, make our goods sell more readily against foreign competition in Canada and in the overseas market. In this way we would not only reduce the rapid rate of price increase in this country but rapidly reduce the rate of increase in unemployment which is growing far too fast in our country today.

Mr. Broadbent: May I call it five o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Suggested discussion of Conflict of Interest Bill; the hon. member for Portneuf (Mr. Godin)—Canadian National Railways—shut down of some stations; the hon. member for Comox-Alberni (Mr. Barnett)—Research—Suggested grant to Canadian Peace Research Institute.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, Notices of Motions.

PRIVATE MEMBERS' MOTIONS

SOCIAL SECURITY

SUGGESTED MEASURE TO PROVIDE GUARANTEED ANNUAL INCOME

On the order:

October 28, 1969—Mr. Broadbent—The following proposed motion:—That in the opinion of this House, the government should give consideration to the advisability of ensuring by law a guaranteed annual income as a means of ensuring that all Canadians will have an income sufficient to provide for a life of dignity.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe there was agreement to let this one stand and retain its place, and to move on to the next notice of motion.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Motion stands.

• (5:00 p.m.)

CROWN CORPORATIONS

SUGGESTED APPOINTMENT OF MEMBERS OF PARLIAMENT TO BOARDS OF DIRECTORS

Mr. Ralph Stewart (Cochrane) moved:

that in the opinion of this House, the government should consider the advisability of introducing legislation to provide for the appointment of some elected Members of Parliament to the boards of directors of the various Crown corporations and other federal agencies so as to assure a better and more direct control of the legislative power over the executive power, to restore to Parliament part if its authority and to better utilize the various talents of the parliamentarians.

He said: Mr. Speaker, throughout society we notice a series of balances and counterbalances. I think the balance of power here and there in society is very necessary to the maintenance of our sociological system. Certainly, I feel that there is something lacking in the balance of power as far as the running of government business is concerned.

Who really runs the government? We can ask this question and those of us who are here reply to our constituents that on their behalf we come as elected representatives in their interest, to spend their money in the way that the majority of Canadians want it spent. Do we say that with tongue in cheek? When we get here we see that most government affairs are handled by thousands of civil servants who are encrusted in regulations. With the number of ministers we have in the cabinet, I wonder if we really have our finger on everything that is going on in government. Certainly, many ministers run their departments, there is no question about that, but there are others who allow themselves to be run by senior members of their department and there is no doubt about that either. In any case, civil servants certainly have a great deal to say in the running of government.

When we look at the agencies of government, or Crown corporations, these are even further removed from the power of Parliament than is the Civil Service, and from the influence of the people who elected us here. When a question is asked of a minister who answers in Parliament for a Crown corporation, he is obliged to say that he must respect the independence and autonomy of that organization and he passes along the remarks made. When the estimates of Crown corporations are examined in the various committees, what usually happens is that the Crown corporation appears and exposes its program to a

group of Members of Parliament who have relatively little research facilities and who know very little about the subject. The members of the committee ask questions in order to inform themselves of what is being done in a particular corporation, but they are not prepared to ask the kind of question that would probe into the day to day running of an organization. As a result, they get a little information, but are not in a position to dig deeper.

It is my contention, Mr. Speaker, that if we are sent here to look after the affairs of the country we should be expected to have a little more authority in those Crown corporations. The country expects us to ask questions that are meaningful and which probe into the expenses of those organizations. In the case of the CNR, the CBC or CMHC, we know very little about how the operations are run. I suggest that Members of Parliament have a right to serve on those boards. They should be present to act as a watchdog for the people. Is there any reason why they should not be there? Is a member of Parliament any less capable of serving on a board than those presently appointed? I suggest that the level of talent in this House is such that many members would be more than capable. For example, who on the board of directors of the CNR has any more intimate knowledge of railway operations than the hon. member for London East (Mr. Turner)? And who on the board of CMHC knows more about housing and urban matters than the hon. member for Trinity (Mr. Hellyer) or the hon. member for York West (Mr. Givens)? I say the talent in this House should be put to its best use, representing the people and looking after their affairs.

I have spoken and written on this subject on a number of occasions, Mr. Speaker. On one occasion my remarks were picked up by the Timmins *Daily Press* of February 12, 1969, the newspaper which serves most of my constituency. An editorial appeared under the title "Public Money—Keep Closer Watch". I should like to quote some of the remarks in this editorial. I certainly will not go through all of it because it deals with the various things I have done in my area and therefore is probably not too interesting to hon. members. However, one part that is pertinent reads as follows:

His most profound suggestion has got to be the parliamentary representation on Crown agencies.

He's probing into an area of administration that is worth millions to Canadian taxpayers. Just consider the Canadian Broadcasting Corporation, which

makes requests for funds topping the hundred million dollar mark annually. That's a lot of loose change.

With income tax time here, a lot of Canadians will be thinking about disappearing dollars and the tax drain. Any accounting that can be given by Crown corporations, and most won't think much of the idea of a politician's doing the accounting, will be in the best interest.

Parliamentary watchdogs, if they are adopted, could save money. But equally important, initially, they can generate just enough scare to keep Crown corporations on their toes, and let their administrators know the public is watching.

It's a good idea.

In recent weeks, one of the committees of this House considered the International Development Agency and the possibility of placing a Member of Parliament on the board. This suggestion was accepted. An editorial against the idea appeared in the *Globe and Mail* the next day. I replied to that editorial pointing out that there seems to be a certain group in this country who suggest there is something unhealthy about the inclusion of Members of Parliament on these boards. Since we are held responsible for the money spent, I think we should be in a position to have some say in the operation of these agencies. It is not a question of running them, as we would be only one or two voices on the whole board. At least there would be a representative of the people working in their interest.

• (5:10 p.m.)

As a result of the remarks in the *Globe and Mail* and my letter, several prominent citizens wrote to me in support of the idea of Members of Parliament serving on boards; no one wrote against it. One very prominent man by the name of Thomas Marshall who lives in Oakville, in the constituency of the hon. member for Halton (Mr. Whiting), wrote a meaningful letter. This gentleman, who is well respected across the country, submitted certain matters to the Glassco Commission. He is well respected in his community, and writes as follows:

I congratulate you on your letter which appeared in the Globe and Mail on Feb. 25th. I deplore as you do their editorial of Feb. 23rd. It seems to me the editorial writer has little or no knowledge of the day to day workings of a Crown company. If you combine this lack of knowledge with a naive belief that civil servants, because they have been given the stamp of approval by the Civil Service Commission, have a sort of divine right to run the country while thinking at the same time that Members of Parliament are inferior persons not to be completely trusted but who fortunately are not forever with us; you can see how the editorial came out as it did.

It is my opinion from personal observation that far too often the civil servant or Crown Company bureaucrat is ever ready to exercise authority arbitrarily, is excessively secretive and because he looks upon criticism within his own organization as disloyal, these organizations tend to become self-protecting bureaucracies, to be managed for the benefit of the people who run them to the point where in some instances they become almost the personal fief of the man at the top.

He goes on to say in his concluding paragraph:

—The way things are now I think the dice are loaded against the people. By simply stalling, the civil servant can frustrate a Representative of the people in any investigation, for the odds are better than even that, by withholding information that is pertinent but may not have been directly asked for, misinterpreting questions, giving partial or incomplete answers, the investigation can resist conclusion until such time as the hazard of election has removed the Representative.

That is how a man highly respected in his community expresses himself. I have another letter from Mr. Fred M. Halls of London, Ontario, who says:

Thank you on behalf of many of us ordinary citizens for your letter to the Globe & Mail printed in this mornings issue.

Many people feel that our duly elected representative to the three levels of our governing bodies have no control over and, indeed, very little knowledge of the day-to-day operations of not only Crown companies but Departments, Boards, Commissions.

Speaking Federally, there are those who contend that in many matters the Ministers of the Crown are but mouth-pieces for the senior Civil Servants in their various departments—

Please be sure my prayers and best wishes are with you in your good work.

I have read two letters to illustrate the kind of reaction I have been receiving. As I say, I have received no letters contrary to the idea of our placing Members of Parliament on boards of Crown agencies and corporations.

I feel that in this country today there is a desire to create more Crown corporations. I sometimes wonder if the reason behind this is that certain people wish to remove more of the business of government from the scrutiny of Parliament and the representatives of the people. Certainly, that is how it appears. A good example of what I am talking about, of complete disregard for the people, is to be found if one looks at Central Mortgage and Housing Corporation. On February 21 of this year, that corporation arbitrarily passed two regulations of which no person would be aware unless he happened to tender an application to build a house or to obtain a mortgage loan. One of those regulations says

that if you happen to live in a municipality of more than 12,000 people you will no longer be eligible to borrow money directly from CMHC. The other regulation says that if you are in a municipality with fewer than 12,000 people and if you earn more than $8,000 a year, you will be ineligible to borrow money directly from CMHC. In other words, no one can qualify because, if you think of it, you will see that no one earning less than $8,000 a year can afford to build a house.

This is the kind of regulation that emanates from some of our Crown corporations. They pass these regulations without anyone's concurrence, and then we bear the complaints of the people on our backs. When we tell the minister about complaints like these, his answer is, "After all, this is an independent organization." That simply is not good enough and will not be good enough in future. Over 100 new Members of Parliament came here with the idea of changing the system of government. How can we change anything if the entire reins of government are in the hands of the mandarins. It is impossible to change anything.

I know my time has almost expired, Mr. Speaker, and I know other hon. members wish to debate this subject probably until after six o'clock. This notice of motion will die on the Order Paper unless we take action now. I suggest, Mr. Speaker, and I realize I am not following a usual course of action, that in these circumstances, since much has to be learned about the problem, the matter should be studied by a committee where witnesses from the provinces and elsewhere can be called. For instance, members of the Ontario Legislature serve on the boards of Crown corporations. If we can examine this matter carefully from every point of view, and obtain the points of view of others, we shall be in a much better position to determine what can be done. May I suggest, if it is the unanimous wish of this House, that the subject matter of the notice of motion we are now discussing be referred to the appropriate committee of the House in order that the committee may examine it carefully and ascertain all the facts.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have listened with much interest to the debate so far and to the statement of the mover of this private members' notice of motion. I wish to commend him for it because it deals with a fundamental principle, a principle of public administration which will have to be considered carefully and studied by other members of this House. I hope this will be just the beginning of the debate. Whatever the forum of the debate, the question is of such fundamental importance that it must be weighed carefully and thoroughly before legislative action is taken on it.

In principle I support the motion, Mr. Speaker. In recent years we have seen the growth of the public service. We have seen, really, a major public service and a lesser public service growing up. Numerically, the members of the major Public Service are those employed in the regular departments of government under the control of a minister of the Crown who reports to Parliament according to the established constitutional principle of executive responsibility. The other civil servants, while they may be numerically fewer, in many ways have enjoyed growing influence and superior conditions of renumeration and employment. I refer to the field of the Crown corporations.

The reasons for establishing Crown corporations are well known and have been cited in numerous textbooks. A Crown company like Air Canada is established because we want it to be like a competitive private firm. In many ways it is in competition with private industry and therefore has to adopt a corporate framework. Its members must have the ability to make managerial decisions that will enable the company to hold its own in the world of private enterprise. The Polymer Corporation was created within the same framework. It was created under the exigencies of wartime to develop a formula for synthetic rubber to meet an urgent national priority. It was given the necessary capital to do so. It was given encouragement, personnel and access to the technical processes. It has established a record of success of which Canadians are justly proud.

• (5:20 p.m.)

In between the purely commercial type of Crown corporation, the government has developed a hybrid of another sort. I do not intend to be derogatory, quite to the contrary. I refer to the National Capital Commission which is officially described as a Crown corporation. Its responsibility is not like that of a commercial enterprise which is selling a product. The Commission is to carry out a federal purpose within an area defined by an act of this Parliament as a national capital region. That federal purpose is, in its application, the acquisition of a green belt for long-term planning, major national parks such as Gatineau Park and Vincent Massey Park and planning and

development of government buildings. It gives guidance and grants to the municipalities for various public services considered to be in the interests of the nation. It establishes national monuments. This type of Crown corporation has come a long way from the purely competitive world of Air Canada and Polymer Corporation.

In addition we have the Defence Research Board. This Crown corporation attempts to apply capital, which is urgently needed for the training of our scientific manpower, to the unlocking of those mysteries and knowledge which are the key to the technology of a modern twentieth century nation.

The reasons for establishing Crown corporations are numerous. They relate to efficiency and the need to parallel the structure of private industry itself. They are often motivated by something a little less elevated than this. Those who direct them are often concerned about the ability to engage personnel without the bureaucratic organization of the Public Service Commission. I am not one of those who berate the Public Service Commission. It would be quite impossible to apply a merit system across the board without an agency like the Public Service Commission to make sure that there are uniform rules, appointments, promotions, hiring and training of staff. By going to the Crown corporation form, it is possible to come out from under the umbrella of the Public Service Commission for these personnel functions. They enjoy a great deal more discretion.

At one time I was a president of a national association of civil servants. Among the greatest frustrations we as a staff association had were those based on the managerial decisions of some of the Crown corporations. In many cases the Crown corporation was less autocratic in its behaviour, less demanding, less democratic and less consistent in the application of personnel policies than the public service.

Another reason that leads many people to prefer the Crown corporation over the public service is the ability to pay higher rates of salaries, especially to top management personnel. I do not believe that we should ever try to skimp on salaries. I believe the Governor of the Bank of Canada is worth the salary he receives. To do the job we expect of him, the head of the CNR must command the kind of salary which he receives. I do not believe that comparable positions can be found by a parallel within a deputy minister's structure of the public service. I do believe there has been an over-all inhibiting effect within the public service, especially at the senior levels, because of the application of consistency. This is because the Deputy Minister of Finance must be the senior paid deputy and others must be slotted in beneath him. Nowhere in the world is there any such orderly arrangement with Crown corporations. Crown corporations have the freedom to attract capital, recruit, select, train, promote, compete, choose the corporate forms and make the corporate decisions that are essential in some commercial types of operation in order that they can be successful in the purpose for which they were established.

Along with this Crown corporation idea, and the format which has developed, has come the problem of public accountability. Those who maintain that a Crown corporation is responsible to its shareholders are trying to give credence to a myth. The shareholders of the Crown corporations cannot be comparable to the shareholders of a private industry. The shareholders of a Crown corporation are the public and the government. Through the minister responsible there is a nominal reporting, and in many cases it is no more than that, to account to this place for the operation.

As the mover of the motion said, we have all had the experience of the operation of a Crown corporation giving us some concern, going to the minister and the minister replying that it is an independent body and there is nothing much he can do about it. I suspect that many Crown corporations, depending upon the personality of the man or woman in charge, exercise degrees of individual independence that are hard to reconcile with the formal structure of public accountability. It is to the credit of the hon. member that he has tried to propose a solution. I do not believe he is the first to propose it. My colleague the hon. member for York Centre (Mr. Walker) had a motion on the Order Paper to do the same thing.

I believe the solution lies in part along the lines that have been indicated. On the board of directors of such corporations can be placed members who also have responsibility in this House. This is breaking new ground, but it is ground that has been broken in the province of Ontario. In the case of the province of Ontario, every Crown corporation established in that province has one or more members of the provincial legislature on its board of directors. Examples of this are the Niagara Parks Commission, the Racing Commission—

Mr. Fairweather: The Milk Board.

Mr. Francis: —the Liquor Control Board. My friend opposite had some other suggestion.

Mr. Fairweather: I thought milk should come before liquor.

Mr. Francis: I thought the hon. member referred to liquor. I obviously did him an injustice in that respect. Knowing him as I do, I should not have made such a quick reference. The fact is that something has to be done to try to bring some degree of relationship between the legislative branch and the Crown corporation. The gap has become too wide.

I believe the Secretary of State for External Affairs (Mr. Sharp) made some comments not too long ago that one would have to define carefully the role of such a member, the principle he would apply and the course of conduct he would have to follow. It has been alleged there would be a conflict of interest. I cannot buy the conflict of interest argument. The man or woman elected to this House does not serve anywhere else. The problem is that he or she does not have an opportunity to gain access to information that is essential to serve the public interest and on which judgments are based. This is where the gap lies.

• (5:30 p.m.)

As far as I am aware, the system in the province of Ontario has worked tolerably well. I am one of those who believe that if we were to adopt this procedure, no additional pay should be given members serving on such a board. This would be contrary to the practice in the province of Ontario. I believe that the pay, allowances and pensions of the members of this House should be decided here. There should be a uniform practice. However, additional responsibilities could be placed on members, based on their own experience, which would give them encouragement to specialize in areas in which they are most competent.

I believe that a very useful principle of public administration could be developed by the adoption of this motion. Individual members could be encouraged and trained to seek out those areas in which they are competent. When members are named to board of directors, I hope it will be on the basis of more than one political persuasion: I hope members from the opposition parties in this House would be named in order to give a balance in making reviews and in trying to determine how the public interest is involved.

I think that anyone who has studied the change in the concept of corporate directors—the province of Ontario recently had occasion to change the law in this regard—will admit there is a much greater degree of responsibility thrust upon those who accept directorships of corporations. Such appointments are not always a bed of roses. However, I think anyone chosen for such task will find a great challenge, an opportunity to contribute in breaking new ground in public administration. Members of Parliament would be able to develop a relationship between the committees of this House and that body which has been referred to by such groups as the Canadian Tax Foundation and others as the lesser public service of Canada, a growing number of people whose accountability to those who established them, at least in regard to some nominal ownership of the operation, is a rather tenuous one in many instances.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am participating in this debate as a result of popular demand, because there will be very few opportunities for my colleagues to hear what I have to say on this matter between now and Easter. I have become interested in taking part principally because the Notice of Motion of the hon. member for Cochrane (Mr. Stewart) has been on the Order Paper for some time and resulted from an initiative of mine. I did not mean to detract from anything that he was doing, but I was able to persuade my colleagues in the Standing Committee on External Affairs and National Defence, when the committee was discussing the International Development Research Centre, that it might be very useful to have a Member of Parliament serve on the board.

This, as the hon. member who has just spoken said, caused some consternation on the part of the minister concerned and I thought for a moment he was going to tear the purple off the cloths. However, the minister was faced with a substantial majority in favour, and after entering several caveats about having members on boards he graciously allowed the committee report to be adopted by Parliament.

My feeling about this matter is not totally in accord with that of the hon. member for Cochrane. I do not want members appointed to boards and commissions merely to act as a brake on or a watchdog over federal spending. There are many avenues, though perhaps

they need updating, through which Parliament can check spending. Rather, I looked upon this hopefully as a very useful opportunity to provide the benefit of what might be called a rather more sensitive antenna, if I may use that expression, of boards and commissions. Let me give an example. When the B and B Commission was issuing questionnaires, without wanting in any way to be boastful I felt it would have been useful had they consulted the Member of Parliament concerned—namely myself—before asking high school students in the largest community in my riding to find out, among other things, how their parents voted at the last general election.

Research was undertaken without any consultation with the sitting member and the commission itself was embarrassed about this. Nothing partisan was involved, but had they had the courtesy to seek advice from the incumbent member, a little more groundwork could have been done, a little more educating or preparing, if that is a better word, in the community for the type of research questionnaire that was distributed, as I say, without notice. The riding of Fundy-Royal survived this questionnaire but I think it would have been far more productive had this opportunity been afforded.

Another committee that I think would have served this Parliament immeasurably better is the committee dealing with drugs. I say this without detracting one bit from the quality of people who served on the Le Dane Committee on Drugs. However, Members of Parliament could have been provided with a great opportunity to travel across the country seeking information on what is a major social problem facing us today in this particular field. I get carried away and regard certain things as major problems, and I presume others would pick different aspects of social malaise as being more pressing than the drug problem. However, I happen to think that the drug problem is a matter of very grave concern.

When a committee or commission was set up in the United Kingdom to study this matter, a couple of Members of Parliament were appointed to it. I do not know whether they were government members, but I do not think that matters. What is important is to have an avenue of communication, to be in touch with parliamentary thinking, and to have some degree of liaison as such bodies move around the country. To carry this to its logical conclusion, I think that in many cases commissions made up of members, or committees made up of parliamentarians, could serve the public just as usefully as the well-established technique of a royal commission.

• (5:40 p.m.)

Another problem faced by the federal administration is that of centralism of decision-making. This, again, is not to criticize what I believe to be the finest public service serving any government in the western world. I believe, because of the huge area of this country and the regional problems, in too many instances decisions are made in the central capital without sufficient sensitivity to conditions in what I might call the edges, if you like—certainly the economic edges of the country.

Last December the Film Board made a stupid decision about user fees for films. There was no way, it seemed to me, that ordinary Members of Parliament could get across to the Film Board that it might be fine to make that decision for Montreal or Toronto, but that the imposition of user fees in the province of New Brunswick would be disastrous. I might say this decision has been rescinded, and I think that is the proper course for the government to have taken. There was no way we could get this point across to the board itself. It seemed quite insensitive to the fact that in provinces other than Quebec and Ontario, in many instances the National Film Board is the only way for the public and for school children, and so on, to obtain any cultural experience whatsoever.

Had that decision not been rescinded, I am told by the provincial department of education it would have meant the end of audio-visual education in New Brunswick for this year. I am satisfied that had the Film Board had a Member of Parliament or two on its board, no such insensitive decision would have been made. This is not a matter of a policy measure; it is one of people really understanding the prime, or core issue. So I am glad to have been importuned to take part in this debate.

I congratulate the hon. member for having introduced this motion. I am a little disturbed by one phrase in his Notice of Motion, that is, "control of the legislative power over the executive power." I am not going to quibble about semantics in this regard, but I do not think we are legislators any more. We could have lots of speeches on this matter, but I think the way for control by Parliament over the cabinet would be by a greatly beefed-up committees system with very much more

independent advice for committees. Having made that little qualification, I think the hon. member showed good initiative in giving Parliament this opportunity to get some things off its mind about boards and commissions.

Mr. Barry Mather (Surrey): Mr. Speaker, I should first of all like to compliment the hon. member for Cochrane (Mr. Stewart) for putting forward this motion. I support the objectives contained in it. As I see the resolution, it is aimed at giving the public more control over public enterprises such as Crown corporations by the appointment of Members of Parliament to the boards of those corporations. I want the subject matter of this motion to go to the committee for detailed study, so I will confine my remarks to two or three minutes.

While I favour the principle the hon. member has advanced in his motion, I am rather dubious about some of the techniques which I understand would be involved. I wonder at the wisdom of appointing individual Members of Parliament—politicians—to boards of Crown corporations. Would this not tend to put additional powers and advantages into the hands of individual politicians, perhaps to the detriment of other members of the House? I do not know, but this is a criticism that I imagine might be raised in some quarters.

Second, is it altogether wise to put politicians in the position of being able to influence the operations of highly technical, in some areas, Crown businesses or public enterprises? Many Members of Parliament are already occupied with committee work, some members being on two or three important committees. They also have House business and constituency responsibilities. I think it would be very hard for them to find additional time in which to be effective members of boards of Crown corporations. Instead of placing Members of Parliament on the boards of Crown corporations, we would do better to consider sharpening up and adding considerably to the powers of committees of the House, enabling those committees to be much more searching and effective in dealing with ministers or those who report for Crown corporations.

I agree with what the hon. member on the government side said a short while ago, that there should and must be a closer relationship between the House of Commons and Crown corporations. As I wish to see this matter go to committee, let me summarize by saying I support the principle proposed by the hon. member, although I have some doubts about the technique. I resume my seat now and urge that a vote be taken so the matter can be further studied by the committee.

Mr. Jack Cullen (Sarnia): Mr. Speaker, I share the comments and the feelings of the hon. member who spoke before me in complimenting my colleague who moved this motion. It was not my intention to speak on the motion, but having seen that there is no shortage of speakers this afternoon, and the likelihood of the motion being talked out getting stronger and stronger, I felt I should speak on it.

I did not write to the hon. member and express my support, but I have spoken to him personally to indicate that this is the kind of matter to which we should give more consideration. I have indicated to him the frustrations that one feels when serving on the Public Accounts Committee, which is faced with a situation that of course occurs after the fact—after the money has been spent and after the mistake has been made. We as members of the Public Accounts Committee have to make searching inquiries. We often find how difficult it is to get the kind of information we want from Crown corporations.

I agree with my friend, the hon. member for Ottawa West (Mr. Francis), who has indicated that on many occasions it is necessary to have Crown corporations perform particular services. I submit, in support of the hon. member who moved this motion that it is equally true that Members of Parliament should be sitting on these corporations, not with the view of providing more money but with the view of doing the job we are required to do here, that is, to serve the public interest.

I have found the Auditor General's report to be quite unfair. I have told him in person, and I intend to tell him again before he brings in his 1969 report, that his reports are unfair and one-sided because we hear only one side of the case when it comes before the committee. We do not hear the other side until two or three years later. In the meantime, the contents of such an unfair report are spread across the country.

Let me refer to a recent situation. We directed questions to officials of the Department of National Revenue on eight different points. There had been eight different criticisms made, and in respect of each of them the Department of National Revenue was able to give a satisfactory answer. For a

period of two years we had to sit back and observe the results of that report all across the country. We find the press leaping upon this kind of thing like over-zealous galloping gourmets. This is the kind of thing they want and the kind of thing they spread across the country. This might be fine, but I think it is unfair. To get that kind of fair information from Crown corporations, and to put that kind of defence before committees, I think it is necessary that we serve on these boards.

• (5:50 p.m.)

Let us not talk about semantics and the fact that we have committee work, work in the House of Commons and constituency mail to answer. The hon. member is simply suggesting a means of getting a point of view across. Let us study the question, and let somebody who perhaps has more time than hon. members to spend on this matter come up with a way in which such a system could be implemented so that the public interest could be best protected. It is for this reason I am speaking this afternoon. This is a matter which I think should be referred to a committee.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I should like to commend the hon. member for Cochrane (Mr. Stewart) for the idea behind this motion. I am afraid, however, that is as far as I can go. So far as I am concerned, he spoiled his motion when he added the words, "so as to assure a better and more direct control of the legislative power over the executive power", and so on. I disagree with the motive contained therein. Had he not included the second part of his motion, I would have agreed with it.

It seems to me directors are directors; it does not matter whether they are directors of a Crown corporation or of any other company. They have a job to do. That job is to run the company to the best of their ability in accordance with the objectives for which the company was established. In the case of a Crown corporation, the corporation is set up by an act of Parliament to achieve certain objectives. The directors should be left with the right to achieve those objectives. The matter of whether or not the directors should be Members of Parliament is irrelevant.

One of the best members of the board of the BBC in not so recent years was Sir Harold Nicholson. If one were to read his intensely interesting memoirs one would find he did immensely valuable work for the BBC as a director while he was a Member of Parliament. That affiliation did not necessarily play much part in his role because I believe he was sort of an independent quasi Labourite who was able to carry out this function during the coalition government of the war years. I do not know whether or not this would have been possible in peacetime.

However, he acted as an invaluable informal liaison between the cabinet and the BBC during all the war years when it was necessary that the BBC try to help reflect government policy. Above all, he was an independent director of the BBC chosen for his independence, ability and sense of judgment. So, while I am for Members of Parliament being allowed to be directors of Crown corporations, I am not for the suggestion, as I read it, contained in the motion which indicates that in some way these directors would still be responsible to the House of Commons. I do not think that should be the situation at all.

In the case of Crown corporations, I believe if Members of Parliament were directors they should, like any other directors, be responsible to Parliament under the terms of the act under which the particular Crown corporation was created. The objective, of course, should not be the control by legislative power over executive power. Executive power should have nothing to do with a Crown corporation other than to change the rules under which the Crown corporation functions or to suggest to Parliament that the act under which a Crown corporation operates should be changed from year to year.

But God help us if we allow the executive to dabble in Crown corporations, especially in more sensitive areas like the CBC and the National Film Board. We all know of too many instances where in some countries information services became disguised or undisguised propaganda machines for government. This has not happened here, and it would be a poor day if it did.

Mr. Stewart (Cochrane): How could one member have such an influence?

Mr. Osler: One member probably could create a nasty atmosphere of fear under some circumstances. If such a member were independent, I would have nothing against a Member of Parliament sitting on a board. I served on the CBC board for 3½ years and would have been very thankful had there been one or two Members of Parliament serving on that board, because the board members felt isolated from Parliament to whom they were responsible.

As I understand it, the worst cross we had to bear was that a member of the executive attempted to meddle too much in internal matters of the CBC. I could give you a beautiful example. There was an occasion on which we had a most difficult situation. This matter was actually resolved by the board of directors at a moment when word was received that a member of the executive had acted over-zealously. It was necessary for us to react and forget our resolution of the problem in order to keep the corporation from being tampered with by government.

I have absolutely strong feelings about the executive meddling in the affairs of a Crown corporation. If the executive wished to change something in respect of a Crown corporation, the executive would have to bring the matter before Parliament and have Parliament make the change. If we were to allow the executive to meddle in the affairs of a Crown corporation, we would be treading on very dangerous ground which could become sinister ground if allowed to continue unchecked. This is the reason I cannot accept the motion, although I would welcome another motion by the hon. member if it were differently worded, because I believe the underlying idea has great merit.

Mr. Stewart (Cochrane): Mr. Speaker, I should like to raise a point of order. As I understand it, if a Notice of Motion is not talked out before six o'clock it can be voted on and passed; and if it is talked out, it dies. However, in the case of a bill, if the bill is not talked out it is referred to a committee. There is no provision for this matter to go to a committee. I have the feeling from the discussion which has taken place that members would like to have the matter discussed further in committee. Therefore I am prepared to move a motion to that effect, if it is in order.

Mr. Deachman: Mr. Speaker, perhaps I might say a word or two in this regard. This would be a motion to change the procedures of the House of Commons in respect of the method of handling motions before the House. Without a vote in the House I do not think we could change the procedures of the House of Commons. I believe there are other members here who wish to comment on the very interesting subject which the hon. member has raised.

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

[Mr. Osler.]

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

AMENDMENTS RESPECTING ASSOCIATED CORPORATIONS, RECOVERY OF GRANTS, CONTENTS OF AGREEMENTS, ETC.

The House resumed consideration of the motion of Mr. Pepin that Bill C-193, to amend the Industrial Research and Development Incentives Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I would like to make a few comments on the bill before us this evening. It might afford a reasonable amount of pleasure to hon. members to know that I have a cold and that therefore my comments will be briefer than they otherwise would have been. I hope, however, that their substance will not have altered and that there might even be some improvement in it.

The minister has already referred to the undoubted benefits to any modern economy of a country having a sophisticated, imaginative and vigorously financed research and development program. I shall not add to these generally true observations except to say they are true. There can be no doubt that in any industrial country in the world research and development not only plays a leading role in establishing current levels of employment and economic well-being but is of crucial importance to future levels of economic development and well-being. That principle does not need further comment.

I would now like to pass on to three or four specific areas. First of all I would like the minister—I assume he will conclude with a few observations before we vote—to really try to justify the IRDIA program. The judgment of the members of my party is that the IRDIA program represents millions of dollars down the drain. In terms of government

finance there is not a great deal of money involved, but none the less these dollars are being wasted.

Why are they being wasted? In our judgment they are being wasted because they are being spent unnecessarily. Overwhelmingly, these funds are being spent to subsidize research and development in the private sector of our economy which would have been undertaken in any case by private firms. This judgment is very serious in its implications. Whether or not it is completely right I am not sure, but to my knowledge at least the government has not presented to the House or elsewhere any argumentation justifying the funds spent.

What is required is not a general outlay of funds providing benefits to any firm that would have carried out research and development anyway, but to make a very careful diagnosis of the Canadian economy and its potential, then make specific grants, and rely on them only. This the government does do in its other programs, but it seems to consider that having a twofold approach is necessary; a broad, general, over-all approach plus a number of specific programs.

It is the judgment of many economists that the general approach is a waste of public funds. It really amounts to the public subsidizing a private industry for what it would have done on its own. Although this program represents a small amount of money in terms of government spending—$30 million—it is no small sum to the average Canadian in terms of what the same amount of money might have been used for in alternative programs such as housing or a number of other socially meaningful uses.

As an example of this I should like to refer to the question that I put on the Order Paper in this session and to which I received an answer from the Department of Industry, Trade and Commerce. My question concerned last year's and the present year's expenditure of funds on this program. For 1968-69 the expenditure forecast by the department was $31,300,000, and the actual expenditure was $19,592,000. For the current year there is a slight increase in what the government intends to spend, but I suspect a greater percentage of the funds will not have been used when the year concludes. My point is that this is a relatively small amount of money going into research and development in the yearly program, and to say the least it is not a major source of inspiration for research and development in this country.

• (8:10 p.m.)

I would think that if a careful look were taken at the companies which actually used these funds last year, it would probably be seen that about two-thirds of this $19 million going out from the federal treasury went to firms that would have spent that amount of money on their own without any encouragement by the government. Therefore, my conclusion is that this public money was wasted. However, the minister might be able to reply to that point and show us, in some fashion that has not yet been made apparent, that the funds were necessary to get research and development under way.

On this same point, Mr. Speaker, I would like to make a specific request of the minister. About a month ago he tabled a document which was really a summary of a research group's analysis of the government's research and development programs, which consisted of four pages plus a one-page abbreviation of what the government has done since in terms of that study's findings. Would the minister consider tabling the whole study so that the people of Canada, and more particularly the members of this House, would have an opportunity to take a serious look at what was presumably a serious study into the efficacy of the federal government's research and development programs?

The next point I would like to make is related to the first general observation about the need for significant capital investment in research and development and the overwhelming lack of success on the part of industry in Canada in doing research and development—and when I say industry I mean both foreign-owned and Canadian-owned industry. I suspect that at this point the minister might be jotting down the fact that if we look at the foreign-owned sector of the economy and compare it with Canadian-owned industry, we will find that it does more research and development than Canadian firms. This simply attests to a fact mentioned by many economists, that the main fault of Canadian capitalism is Canadian capitalists, who have been quite negligent in striving to become vigorous entrepreneurs able to face international competition.

We simply cannot go on talking about the present and the past: we must be concerned about the future. I suggest the minister should indulge in some serious thinking about one of the reports put out by his department which shows that American-owned subsidiar-

ies in this country do much less research and development than their parent firms in the United States. I refer specifically to the report entitled, "Statistical Data on Research and Development in Canada," compiled by the former Department of Industry in 1967. The pages are not numbered, but I refer in particular to table 13. This table shows conclusively that American-owned industry in Canada—as an example, the petroleum industry—does considerably less research and development here compared with that industry in the United States, but even so it does much more here than is done by its lazy competitors in Canadian-owned firms.

The important point, in my judgment and the judgment of my party, is that it is essential for the survival of this country that not only do we get more control of the Canadian economy as such, but that we begin to get control in the crucial new areas of industrial development in which research and development programs play such an important role. We need a Canada Development Corporation that will mobilize Canadian capital to invest in new and growing sectors of the economy, which will provide a foundation for Canada from which it can launch into meaningful, successful competition in the international market and get us beyond the old, traditional branch plant structure.

One of the most important aspects of the Canada Development Corporation's activity would be to mobilize teams of experts for research and development programs. So far the minister has not had anything to say about this. Perhaps he is waiting for the cabinet report on what the government intends to do about the general problem of foreign investment. If he does not comment on this matter tonight, I look forward to his comments on it in the not too distant future. It is a serious point on which the hon. member for Waterloo (Mr. Saltsman) and other members of this party have spoken at length.

Dealing specifically with resource industry, I ask the minister this question: If it is the case, and I think it is, that one of the most exciting and interesting developments in modern industry is that which is taking place in the petro-chemical field, and if it is also the case that we have substantial amounts of petroleum in Canada, and further, if it is also the case that most of this industry happens to be foreign-owned, would the minister and the government give serious consideration to bringing the industry within public ownership?

[Mr. Broadbent.]

I ask the minister to consider this question and forget for the moment all the ideological implications, all the serious kinds of moral and socialistic arguments that could be made on the subject of public ownership. I ask him to forget these entirely and to deal solely with the question of an independent Canadian economy and the need to provide meaningful research and development programs that could stimulate real economic growth for Canada in the expanding international market.

In other words, instead of having an industry, in this case the petroleum industry, which is foreign-owned, which does the bulk of its research and development south of the border, would it not be desirable at this time to think not about nationalizing all Canadian industry but bringing this important, modern industry within public ownership and providing substantial funds to do research and development in the petro-chemical field? It is not just gas stations that are involved with petroleum; they are a very minor aspect of the industry. If publicly owned, I suggest we should provide millions of dollars for research and development in this industry and see where we can go as a country in the international field. This suggestion is being very seriously considered by my party.

• (8:20 p.m.)

I repeat, Mr. Speaker, that I am not asking the minister an ideological question about the merits of public ownership as opposed to private ownership in general, but specifically at this time when the hour is late, to say the least, in terms of maintaining Canadian economic independence, whether he thinks this might be one area in which public ownership might be precisely the answer. I am asking whether this might not be the best means to regain Canadian independence and to provide research and development leading to real economic growth for Canada in one sector of our economy. To repeat the point I made earlier, most of the research and development in this industry is being done south of the border. Because it is foreign-owned there is always a net outflow of capital south of the border as well. Public ownership could be the answer, both to getting more research and retaining profits.

I am pleased to note one improvement in the government's research and development program. For the past couple of years our party has been critical of the net financial advantage the government was giving to mili-

tary research and development. This has been redressed and what we have now is equality of condition between research and development in the military and non-military sectors. We no longer give the military an advantage or encourage more money to go into it and I compliment the minister and the government on this change.

The only further step to be taken is for the government to get out of the whole business of military research and development. It seems to me it is about time our country joined with others in taking this imaginative step. Let us say to the world that we shall cease this bloody activity and apply all our financial resources in research and development to the non-military sector. That is all, Mr. Speaker. I look forward to the minister's reply.

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I should like to address a few remarks to the changes proposed to the Industrial Research Development Incentives Act in the bill before us this evening because I consider it an extremely important measure so far as business development in Canada is concerned. I listened to the hon. member for Oshawa-Whitby (Mr. Broadbent) and was rather surprised at some of his circular arguments.

Mr. Broadbent: Like what?

Mr. Howard (Okanagan Boundary): He tells us that if the money for research purposes had not been put up by the government, research would have been done anyway. I find it a little difficult to understand how the hon. member was present in the boardrooms when decisions were made whether or not to go ahead with research, and how he would know whether the decisions were made on the basis of assistance available from the federal government. It is very difficult for any of us to know the exact basis on which a decision was made, but we do know that industrial development research is increasing in Canada. This is the objective sought by the government in making this assistance available.

The hon. member said something about the problem of American industrial development in Canada and the advantage the Americans have because of their research programs. I shall comment on this subject a little later, but I think that is exactly what this measure is trying to correct. If Canada is to maintain any kind of control over its economy, it will do so because we have industries that are in the forefront in patent and industrial development research.

I think it appropriate, while examining these changes, that we make some comment on and some examination of the whole subject of industrial research in Canada. Exports are the key to the health of the Canadian economy. It is well for Canadians to be aware of the changes taking place in our economy in the last few years. At one time much of our population was engaged in farming for a living. Now only 7 per cent of Canadians make their living from farming. To take its place, we have had to invest more and more in the extraction of raw materials and the sale of these at home and abroad, as well as in the development of our labour force in the manufacturing industries. Now, 23 percent of our labour force is in manufacturing and 75 per cent of our exports come from this area.

Canadians are blessed with a tremendous advantage in the abundant supply of raw materials, but liabilities come with these which are very serious. Our small population dictates an aggressive world trade policy if we are to survive. Mass production techniques mean mass markets, and the only way we can participate in these is to get into markets held by other countries. To do this we need up-to-date and distinctive products. We cannot compete by means of cheap labour because we do not have that, and we cannot compete with a large domestic market to absorb initial production costs.

Merchandisers tell us that on the average a new product introduced on the market today will have a life of only five years before it becomes obsolete. In order to be ready with a new product at the right time, manufacturers must resort to a tremendous amount of research and development on new product lines. In the past, many countries of the world, including Canada, have spent very little on product research. John Kenneth Galbraith says that the strength of American industry is based on the fact that 95 per cent of the research on product development is done by the Americans and 5 per cent of it by the other free nations of the world. This is a factor which gives American industry a tremendous competitive advantage, making it possible for it to establish satellite industries around the world to produce goods designed by Americans, employing American labour and bringing profits to Americans. Canada is one of the many nations that has felt the impact.

If we employ Canadians at this level of industrial development, we make it possible for our own specialists and highly trained people to remain in Canada and to foster Canadian-owned industries. There is probably no more important way to maintain a Canadian hold on Canadian industry and the development of Canadian products and manufacturing techniques than the fostering of Canadian product research. This fact was belatedly recognized when the change in the Income Tax Act was made in 1962, permitting special incentives to corporations which allowed them to deduct an additional allowance equal to 50 per cent of the increase of expenditure in Canada for scientific research over that of the previous year.

As a result of the favourable experience with this tax incentive, in 1967 the government enacted a new program to continue providing general incentives for scientific research and development after the tax incentive expired in 1966. The Industrial Research and Development Incentives Act was passed in March, 1967, to provide general incentives to industry for the expansion of scientific research development in Canada.

This act is administered by the Department of Industry, Trade and Commerce and provides for Canadian corporations to receive cash grants or credits against federal income tax liabilities equal to (a) 25 per cent of all capital expenditures for new property other than land for scientific research or development in Canada, and (b) 25 per cent of the increase in current expenditures in Canada for scientific research and development over the average of such expenditures in the preceding five years.

• (8:30 p.m.)

Well, Mr. Speaker, the act appears to have been successful. In 1968-69 total expenditures for research and development by government, industry and universities was $952 million. That represents a very substantial improvement over previous years, although I agree with my hon. friend from Oshawa-Whitby that this is not enough to put Canada into the forefront of industrial development. We have to do much more.

Each year Canada must provide 235,000 new jobs for Canadians coming on to the labour market. A very great number of these will have to be provided in industry, and many of them in industries that export abroad. The government is anxious in this case to foster continuing growth in industrial research and development which will be of vital importance to Canada. Clearly, despite a period of austerity and a freeze in the spending of most government departments, the government has authorized additional funds for the Department of Industry, Trade and Commerce for purposes of industrial research and development through programs such as IRDIA, IRAP, DIR, PAIT AND DIP. I shall shortly describe what these letters mean. The government is proceeding to extend patent research. The total amount estimated for 1969-70 for these programs comes to $52.2 million. In 1970-71 the amount expended will increase to $72.8 million, an increase of nearly 40 per cent. Mr. Speaker, I concur most heartily in the government's efforts in this direction and only wish the program had been started many years earlier and that the expenditures were now very much larger.

A few moments ago I mentioned some initials to describe the patent and research development programs the government is undertaking. Perhaps I should enlarge on what I said. This is what the government is doing at the present time. First, this evening we are dealing with the amendment to the Industrial Research and Development Incentives Act, known as IRDIA. Second, there is the Industrial Research Assistance Program known as IRAP. This is a program for the National Research Council to increase the number of research personnel in industry.

Third, there is the Defence Industrial Research Program known as DIR. That program is to encourage research in defence industries. Fourth, there is a program for the advancement of industrial technology. Its name is PAIT, and it is a program to encourage the development of new products and processes in industry. Lastly, there is the Defence Industry Production Program, known as DIP, which is to encourage development and production for purposes of defence and civil export. These are the programs which in total will cost us $52.2 million during the current year.

In 1968 a special study group was established to investigate the relationship of these programs with each other and the needs of Canadian industry, and to recommend any desirable changes. A summary of the working group's conclusion and the action taken in respect of them was tabled in the House in February of this year. This report said in part:

There is a continuing need for the general incentive provided by the Industrial Research and Development Incentives Act to encourage increases

in research and development. While no changes are proposed to IRDIA at the present time, certain technical amendments are required to prevent problems that have been noted as a result of experience to date.

Although no changes are proposed to IRDIA at the present time, nevertheless certain technical amendments are being presented today for consideration. I wish to remind the House that the basic provisions for this bill are to increase research and development work in Canada. It is not always possible to measure the exact results of the IRDIA program. This is easier under a program such as PAIT, where successes have been counted over failures at the rate of two to one.

All in all, in Canada during the current year Canadians will spend about $952 million on research and development programs. This may sound like a lot of money, but the United States will spend $25 billion under this heading, more than 25 times what we in Canada will spend. But we can say that the Canadian program is growing and we can see that our research and development assistance is producing results. In particular, we can see substantial growth in Canadian companies that are investing heavily in research and development programs.

A recent review, Mr. Speaker, of federal government programs to encourage research development and innovation in Canadian manufacturing industries was undertaken by the Department of Industry, Trade and Commerce. The review states in part:

> The need to achieve a satisfactory rate of economic growth in an increasingly competitive environment makes it essential that Canadian government policies and programs encourage increased innovation by Canadian industry.

This will require improved incentives to encourage a greater readiness in Canadian industry to change established patterns of operation, to introduce new marketable products and to specialize and rationalize. Experience over the past ten years with the various government and incentive support programs indicates that improved production and marketing performance can be achieved through incentive programs extending over the entire product cycle, that is, in research, development, preproduction and marketing. The changes in the bill before us will contribute to the development of Canada's economy and deserve the support of members on all sides of this House.

Mr. Pepin: Mr. Speaker, may I say a few words in closing the debate?

Mr. Deputy Speaker: Order, please. I remind the House that if the minister speaks now he will close the debate.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, may I make a brief comment? I believe Canada is spending less money on research and development than some of our industrial competitors are spending. I suggest that in some areas we could well afford to spend more. For example, let us consider atomic energy plants. We have, for better or worse, opted for a particular type of atomic energy plant in Canada. It is obvious that the rest of the world has decided to adopt another method of producing atomic energy. Not being in a position to utilize the technical innovations of other countries, we have of necessity had to develop our own system. Nevertheless, I suggest we have been somewhat lax in this field because we ought to have been spending more money on it. I am therefore glad to see introduced a bill which will encourage industrial research and make more money available for it.

A short while ago the cabinet decided that we should not in this country build an intense neutron generator. Whether that was a correct decision remains to be seen. I have the distinct impression that if we are to remain leaders in the field we have chosen, a field we have made especially our own, we shall have to undertake special research. If we wish to sell to other countries plants of the type we have developed, we must be prepared to undertake more research to keep those plants in the forefront of development.

As you are aware, Mr. Speaker, Canada has sold some Canadian-style atomic energy plants to Pakistan and India. It now appears that Belgium is to build a second atomic energy plant in Pakistan. May I ask why we were not invited to build it? Why are we not selling that second plant? Is something wrong with the first one, or do those who bought our original plants feel they must use plants of the type used by the rest of the world? If we wish to remain in the forefront of this field and sell our atomic energy plants and expertise abroad, we shall have to undertake more research. Pakistan's first nuclear power plant with a capacity of 137 megawatts is nearing completion in Karachi, West Pakistan. Built with Canadian aid, the Karachi atomic power station will swing into commer-

cial power production early in the autumn of this year. Belgium is building the second plant.

• (8:40 p.m.)

Is our Department of Industry, Trade and Commerce not on the job, attempting to sell this country another plant, or do they have some doubts about our capacity to build these plants, keep them up-to-date and equal to atomic energy plants in the rest of the world?

As I understand it, Mr. Speaker, there are some theoretical possibilities for increasing the efficiency of the type of atomic energy plant which we have in Canada. We must do more in a practical sense, to develop these methods. I would not like to think that we have chosen wrongly in this regard. A lot of Canadian money has been invested in this field. Having chosen this field and having invested a lot of Canadian money, talent and expertise, and having committed our industry to this particular line, we should be spending a great deal more in this area so that these possibilities may be developed in future Canadian atomic energy plants.

As a further illustration I wish to refer to a booklet dealing with the study of intense neutron generators. I believe this study was carried out with encouragement from the present Minister of Industry, Trade and Commerce (Mr. Pepin) when he was Minister of Energy, Mines and Resources. It is suggested in this study that if we are to keep our engineers in Canada, we must provide them with jobs and a certain volume of business. This would keep them occupied and carry the industry, if you will. If we do not sell plants abroad, the volume in Canada will not be sufficient to do this. It is a similar situation to the chicken and the egg. I suggest it is necessary to obtain orders from other countries. To do this we must spend more money on research and development. I hope the minister will comment on this aspect of the matter.

Mr. Leonard Hopkins (Renfrew North): There are a few comments which I wish to make, Mr. Speaker. I was pleased with the way the hon. member for Battleford-Kindersley (Mr. Thomson) spoke about what has been done in Canada in the field of nuclear energy. When speaking in the budget debate last week I did not get entirely on the record the fact that certain individuals in Canada are attacking our scientific community in the field of nuclear reactors and hydro power. I feel that Canadians working in atomic energy are top scientists and are doing an excellent job.

[Mr. Thomson.]

Per capita we have many good scientists compared with other countries. I think it is time all hon. members backed our Canadian scientific community instead of permitting individuals to tear it apart.

I have a great personal interest in this matter. At Chalk River and Deep River, both of which are in my riding, there are a large number of top-notch technical and scientific men. They have done a great deal to advise industry and hydro companies when building nuclear power plants. There has been much inaccurate information spread across this country about some of these nuclear power plants. I stand in their defence tonight, not just because they are in my constituency; there are many more in the same class across Canada. Canada is at a stage in scientific development today where we have to start thinking positively instead of negatively.

We must stop criticizing every little thing that goes wrong in the nuclear power and atomic energy field. This is a large field. Canada was one of the forerunners in the world in nuclear power. Canadians should be proud of this fact. As in any new field, small errors and mistakes are made. When Members of Parliament are elected to this House they make mistakes the first few times. They may make mistakes at the end of their time here: some hon. members never become total professionals. The same can be expected of our scientific community.

One thing we can expect is that our scientific community will be dedicated to its job. Our scientists do the best they can to keep Canada at the forefront in scientific development. If anything positive is to result from this debate tonight, it is that the Canadian scientific community deserves the praise of the Canadian people. Canadian scientists must be given leeway. If a few mistakes are made along the way, we must remember that we learn from our mistakes. Let us give them credit for the work they have done in this country, and encourage them to continue in this fashion.

I feel it is of great advantage if scientific help at the government level can be loaned to industry to help it develop, particularly in the nuclear field. This is the sort of thing we should be doing. There are many large industries in Canada which, because of their profit bases cannot afford to develop nuclear power to operate their plants on a more modern scale than is presently done in this or any other country in the western world. The Canadian government has a responsibility to

loan these people in order that they may advise Canadian industry. I compliment the minister and the government on this legislation. I hope all hon. members and all Canadians will support our scientific community and give it the due it deserves. Our scientists have worked hard for this country.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I wish to make just a few points, Mr. Speaker, not wanting to filibuster my own bill.

The hon. member for Oshawa-Whitby (Mr. Broadbent) seemed to think that because this IRDIA legislation on research and development is general, it may not be as useful as if it were specific. At least this is the way his argument sounded. In answer to that I might say that facts do not seem to give any credence to this line of reasoning. We have a growing number of applications for support under IRDIA. In 1967-68, 267 applications were received; in 1969-70, 623 applications were received, and in 1970-71 it is estimated there will be 704 applications. This does not appear to give credence to the argument that because it is general, it is not being used. That may not be the full purport of the argument, but that is what I understood.

Further proof to the contrary is the growing amount allocated to it—$19.6 million in 1968-69, $22.7 million in 1969-70 and $30 million estimated for the present year. Indeed, there has been some falling short, mostly because of delayed applications and provisions for information. This is getting much better now. As a matter of fact, some of the amendments before the House this evening will lead to an improvement of procedures for acceptance of applications.

• (8:50 p.m.)

The information I have is that the review committee found that all programs were popular with industry, both the general and the specific ones. A few days ago I took part in a little ceremony at the Chateau where the department explained to a number of businessmen and provincial government officials the changes that were taking place. Although I had already left—I am never present when things like this happen—apparently at the end of the meeting the department was given a standing ovation. All programs seem most popular with industry, so much so that even though the general programs do not hit the point as well as others do, they nevertheless have been very well used.

Mr. Broadbent: Mr. Speaker, would the minister permit a question on this point? He dealt with one question that I raised concerning the general efficacy of the programs in terms of enticing firms to do research. The more serious point I wanted to raise was that the general programs serve as a means of publicly subsidizing private research that would have been conducted in any case. Has the minister access to any studies done either by his department or by others that would provide evidence one way or the other on this question?

Mr. Pepin: No, Mr. Speaker, I have not seen such analysis. However, as the hon. member for Okanagan-Boundary (Mr. Howard) said, this is the sort of research that would be most difficult to make, because obviously we are not there when the decision to use the program or not is made. But we are not taking chances. We believe very much in research and development. My department has tried to develop as wide a spectrum of programs as possible in order that no industry in Canada would be justified in saying that it was not conducting research and development because there was no program to suit its particular situation. We have tried to have variety in our programs, some are concerned with defence, others with the civilian sector. Some are specific, some general, in order to catch all possible flies.

Second, the hon. member asked me whether I should like to table the report of the committee that reviewed the different programs of research and development. There is a long debate going on now on the subject of the secrecy—as some points of view would allege—or the privacy of government operations. I have some very clear views on that matter. It should be obvious to everybody that industries which come to us for grants most of the time cannot afford the luxury of other companies knowing that they are going to conduct a particular type of research.

Thinking of it in terms of internal communication, if my department is to conduct research into the deficiencies of certain programs, and while doing so is led to think that those deficiencies are in part, for example, deficiencies of the minister, then I do not think anybody would accept the proposition that that kind of report should be tabled in the House!

Mr. Aiken: Well, not that particular one.

Mr. Pepin: Thank you. I think that a department such as mine cannot afford to

table here correspondence it has had with companies. In many cases this would mark the end of our communications with industry. These communications have to be protected.

Mr. Broadbent: Mr. Speaker, I am sorry to interrupt the minister again but he has been very cordial this evening and I hope he will continue to be so during a serious discussion of these points. If I understood him correctly, he was suggesting that what was being requested was correspondence and other matters referring to the performance of particular firms. It was not my understanding from the statement tabled by the minister about a month ago that this was what the study would consist of; rather, it was a comprehensive analysis of the efficacy of government programs in these areas. Am I correct in that understanding? If I am, would this not be precisely the kind of information that might raise the level of this debate if it were made available?

Mr. Pepin: I confess I am, of course, looking at the matter from the point of view of the government. I might look at it a little differently were I to have the privilege of sitting on the other side of the House, which I have never had. The fact that changes are being introduced is an obvious admission that the programs were not perfect. The arguments that we are putting forward today are an indication that we ourselves were not entirely satisfied with the way the programs were being operated.

Mr. Broadbent: Perhaps they will be even less perfect now.

Mr. Pepin: That is for you to judge. The hon. member for Oshawa-Whitby wanted to make a distinction between research and development done by foreign-owned companies and that done by Canadian-owned companies. The department makes no such distinction. We are looking for research done in Canada, be it by Canadian-owned or by foreign-owned companies. We are looking for results, not at the way and by whom they are achieved. As a matter of fact, any money provided through these research and development programs must be used in Canada; this is part and parcel of the philosophy and practice of the research and development programs. The hon. member for Oshawa-Whitby then tried to incite me into a discussion on ownership of industry. I will resist that temptation because this question will be brought to the attention of the House by the government as a whole in due course.

[Mr. Pepin.]

On the subject of resource industries he seemed to say there was not much research taking place. If that is what he had in mind, this would be the wrong impression to give. For example, the Department of Energy, Mines and Resources of the government of Canada does a substantial amount of research in the petroleum industry. If my memory serves me well, in Edmonton there is an Institute of Petroleum Geology, a federal government research institute, that also does quite an amount of work in this field.

The hon. member also tried to interest me in that very old debate about expenditure on defence research and civilian research. I was pleased to hear him say that he had observed a certain movement in the expenditures of the department from defence to civilian research. I thank the hon. member for underlining that because it is something we have very much at heart. At the same time, I am not at all willing to concede that there should be no research for defence purposes. We dealt with this question at some length a year or so ago in a House of Commons committee.

My contention at that time was that it was very difficult to identify what is civilian and what is military research in many instances; that a lot of civilian research led to military innovation, and a lot of military research led to civilian innovation. I do not think any country in the world—certainly I could not mention one of any substance—can afford the luxury of not undertaking any military research. Although I agree that the emphasis should be put on civilian research, I do not think this country could gamble on not doing the kind of military research that in most instances leads to important civilian progress.

• (9:00 p.m.)

I think if my hon. friend were to cogitate and meditate on the subject for a few minutes, he would himself realize that a tremendous amount of technological progress has been made in recent years which is directly related to military research carried out in the past. It is unfortunate that governments and people seem to give more easily for military than for civilian research. Personally, and in my department, we are trying to emphasize the civilian side, but I do not think we can change history and human nature completely. We can try to improve upon it, and this is what we have been trying to do.

Mr. Broadbent: Before the minister resumes his seat would he permit one further question? If I understood his last argument, he was saying there are certain spin-off benefits from military research which do have civilian benefits. If this is his argument, I completely agree with him; but that seems not to be his argument. If he were completely interested in the civilian benefits obtained as a result of this research, that should in fact be his initial object.

Does he not agree that if you are going to put so much money into "x" which is military, and so much into "y" which is civilian, your objectives would be best met if you put more money into civilian projects, and that the reasonable result would be that you would have more benefit from civilian than from military research? Is that not correct?

Mr. Pepin: Mr. Speaker, I am sure that people reading *Hansard* tomorrow will ask themselves why these two members argued when they seemed to agree on essentials.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, if I may I should like to announce a change in the business for this evening which has been discussed with all sides. It has been decided not to go ahead with Government Order No. 47 with regard to the Standards Council of Canada, but rather to proceed first with consideration of Government Order No. 65 with regard to television in the House, then with Government Order No. 83 in respect of the Representation Commission Act, and lastly with Government Order No. 85 in respect of the Transport and Communications Committee.

Mr. Baldwin: Mr. Speaker, may I just say that there have been discussions at the usual high level and we have computerized these three measures. We have come to the conclusion that they will be finished very close to ten o'clock, and that Your Honour might well then call it ten o'clock if we have completed them on the right side of that hour. Am I right in that?

Mr. Macdonald (Rosedale): Agreed.

HOUSE OF COMMONS

BROADCASTING OF DEBATES BY RADIO AND TELEVISION

The House resumed from Wednesday, March 11, consideration of the motion of Mr. Macdonald (Rosedale):

That the Standing Committee on Procedure and Organization, in consultation with Mr. Speaker, be directed to study the question of radio and television broadcasting of the proceedings of the House and its committees, including the legal, procedural and technical aspects thereof, and the question of arrangements made for reporters for the electronic media in the Parliament buildings.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, on March 11, before calling it ten o'clock, I was saying that I supported the recommendation of the government. It is obvious the government is seeking, by all possible means and as quickly as possible to reach the people and keep them in touch with what goes on in the House of Commons.

I also stated at the end of my speech, in connection with the broadcasting of information on radio and television and especially on television—if I refer to the resolution—that it was difficult for many people to sit in front of their T.V. set to watch the debates of the House.

Indeed, it is not always easy for someone who is working to see those programs. Nor is it easy for the housewife. On the other hand, it is said sometimes that housewives complain that they cannot do their ironing or their darning, because their T.V. set is out of order, but it is nevertheless the minority which is in such a situation.

In my opinion, to try to reach the people through this means would be costly in the first place for the taxpayer, because a sizeable investment would be needed to telecast the proceedings of the House, and it would be undoubtedly necessary to telecast the proceedings of the Senate as long as it lasts. It would also be needed to telecast the committee proceedings, so that the population could be fully informed of what goes on in Parliament.

I would like at this time to offer a suggestion, which I would ask the government to consider.

All those of my electors who have the chance to read the official report of the debates of the House are most happy to do so, and I suggest that the government should offer a free copy to all those who request one this could also apply to the report of the

proceedings of the committees, which could be saved and read at a later date if it is not possible to do so immediately.

This would be of great help to Canadian taxpayers who are interested in public affairs, because if they miss the proceedings when they are televised, such programs cannot be repeated the way, for instance, hockey games are. It does happen also that we miss some comments on a program, even on television.

The advantage of the report is that it can be kept for future reference.

• (9:10 p.m.)

I feel this would be a much cheaper way to inform Canadians and they would all be satisfied. Some advertising might be required at certain times, at the beginning of each session, for instance, when people might be invited to ask for their copies of *Hansard*.

This is the suggestion I wanted to make in connection with the resolution moved by the government.

[*English*]

Motion agreed to.

PRIVILEGES AND ELECTIONS

REFERENCE TO STANDING COMMITTEE OF REVIEW OF REPRESENTATION COMMISSIONER ACT

Hon. Donald S. Macdonald (President of the Privy Council) moved:

That in relation to S.22 of the Representation Commissioner Act, Statutes of Canada 1963, C.40, the Standing Committee on Privileges and Elections be empowered to review the provisions of the Representation Commissioner Act and recommend to the House any amendments, alterations or modifications thereto that to the said committee shall appear to be necessary or desirable.

He said: Mr. Speaker, I have just a few words of explanation in respect of the background of this motion. Perhaps I might refer hon. members to the Statutes of Canada for 1963, chapter 40. Hon. members will note in the statute which created the role of Representation Commissioner the following provision is contained which I shall set out in full to the House. It is section 22, which reads as follows:

The Prime Minister shall, at the earliest convenient opportunity after the commencement of the first session of Parliament after 1968, propose to the House of Commons that an order be made and referred to the appropriate committee of the House of Commons for the review by such committee of the provisions of this act and for the recommendations of such committee with respect to any amendments, alterations or modifications thereto that appear to the committee then to be necessary or desirable, and upon such order being referred to it the committee shall consider the matter of the order and report to the House its recommendations with respect thereto.

[Mr. Laprise.]

Therefore, Mr. Speaker, on behalf of the Prime Minister (Mr. Trudeau) I am moving this motion at the present time. This session which commenced in October, 1969, is the first session after the year 1968, and in relation to the business of the Standing Committee on Privileges and Elections this is the earliest convenient opportunity at which the matter can be dealt with.

The House will recall in a timetable which I think has been generally agreed to by the House that it was recognized that the first item of business to be dealt with by the House should be the general changes to the Elections Act. They are the most pressing in terms of time because, as hon. members will have noted from the report of that committee, they involve a substantial expansion of the electorate which will have to be taken into account by each returning officer in each of the ridings and by the Chief Electoral Officer in re-drawing each poll division. At the same time the changes discussed will involve an extensive change in the election procedure generally.

If the Chief Electoral Officer is to be prepared in 1972 or thereafter for the next general election, it would be necessary that these changes be dealt with by the House and enacted into law by the end of the present session. I am pleased that the committee has now reported on detailed recommendations or changes in respect of the Elections Act. Early in the next part of the session the government will be bringing forward a bill based on those changes and we would hope, in order to meet the timetable of the Chief Electoral Officer, it would be dealt with before the House rises in June. The way is now clear in the committee for this reference.

The terms of the present motion invite the committee to consider the institution of the Representation Commissioner, which was set up for the first time at the federal level in 1963, in light of the experience that gentleman has had in dealing with redistribution following the 1961 census. Now that the commissioner has had experience in dealing with the structure of redistribution set up by this Parliament, it is appropriate to make some decisions in respect of how his office should continue and in what manner he should carry on his operation.

I might mention a number of questions and invite the committee's consideration of them because I know they have been of concern to the Representation Commissioner and to the people who have been considering his role. The first is whether the office should continue to be separate from the general electoral system or—and I say this by way of a suggestion—perhaps it might be desirable to have the office of the Chief Electoral Officer with over-all jurisdiction, and have the Representation Commissioner as an autonomous division under the general jurisdiction of the Chief Electoral Officer.

Under the provisions of the redistribution legislation the Representation Commissioner is required to prepare preliminary maps on the basis of which the various provincial commissions set about carrying out their particular studies. Some question has been raised as to whether this role has been a useful one. Perhaps it has been useful in some provinces, and in the larger provinces like Ontario and Quebec it may have made a significant contribution to the job done there.

The question has also been raised as to whether it is useful for the Representation Commissioner to continue to be ex officio a member of each provincial commission, and whether in fact in order to carry out the functions of each commission it is necessary that he work along with them. A response to that argument might be an affirmative one, that in a sense the Representation Commissioner provides a continuity between all the representation commissions and brings to them some of the general consideration and experience gained across the country. On the other hand, however, it must be borne in mind that the provincial commissions are independent, and the provincial representatives are in a majority and are not bound to accept the recommendations of the Representation Commissioner.

Having set out these points, I shall go no further. I hope the committee will look fully into this matter. I think it is valuable to have the committee examine at this time the role which has been discharged in a particularly distinguished way by Mr. Castonguay. The committee will have the opportunity to hear Mr. Castonguay and other interested persons. Then we would hope the committee will make a recommendation to the House in time for it to be included as part of the Elections Act amendments, or perhaps in time for it to be dealt with in the latter part of this session or early in the next session.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have very little to say on this question. As the minister has pointed out, what we are doing now is what is mandatory under the provisions of the act. I only hope the committee will take a fair, honest and objective look at the act and its operations as a result of the last election.

I would urge the government to struggle desperately against its natural inclinations and be equally objective. Hon. members will recall that under the act as it was originally passed, after the various provincial commissions had made their inquiries there was an examination and discussion in the House. One or two fairly technical changes were made, but if I recall correctly, some very genuine objections were voiced in this House by members and unfortunately nothing was done.

As I say, I hope the representations made in committee will be made honestly and seriously and that there will be the objective, non-partisan approach by all hon. members that obtains when elections are involved.

When the results of the committee's considerations are brought to the House, if the proceedings are carried out in the way I have pointed out I hope the government will accept them. We will wait until the committee has had its deliberations and then we will probably make further comment on the matter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are pleased to support this motion for a reference to the Standing Committee on Privileges and Elections. As the previous speakers have indicated, we are only doing something we are called upon by statute to do. Indeed, I found interesting the way the President of the Privy Council (Mr. Macdonald) was able to explain that when the statute says we should do something in the first session after 1968, even though we are in 1970 he can say that this is the first session after 1968. I suppose it is his legal training which makes it possible for him to put it in those terms. At any rate, it is being done and we are quite happy to support the motion.

• (9:20 p.m.)

I think it has to be said that the three principal questions which the President of the Privy Council mentioned are serious questions that must be looked into by the committee. It may well be that in each of these three cases changes should be made. No one can deny the invaluable service of Mr. Nelson

Castonguay in this field, and I think that the members of the various provincial commissions would agree that he rendered a distinct service to them in the last redistribution.

However, I think there is some point to the suggestion that perhaps the provincial commissions should be given the greater sense of autonomy which they might feel they would have if they were entirely on their own. I may say that this fits in with the view that I hold very strongly, that we took the right step when we went in for redistribution by independent and impartial commissions and I hope that we will do nothing to withdraw from that position.

It is because of that that I think if we can give to the provincial commissions more autonomy and experience, we will be more satisfied with the job that they do. I know that in one or two provinces there are grievances about what was accomplished at the last redistribution but I think by and large we have to admit that across the country a fairly objective job was done, particularly bearing in mind the principles that we set down, namely, a much closer approach to representation by population than we had under the old regime.

I listened with interest to the remarks made by my friend, the hon. member for Peace River (Mr. Baldwin), about the discussions that took place in the House of Commons during the course of the last map redrawing. I noted his reference to the fact that little attention was paid to those discussions. Speaking for myself, I hope the day will come when we do not have those discussions here at all, when sufficient confidence will have been built up in the independent commissions that we will not feel we have to have those discussions.

I am still of the view, as I know the majority of members are, that the drawing of the boundaries of our ridings is not our business, that it is the business of the people of Canada in some other way than through us, in view of our special interest. I recognize that it is difficult to make the shift, but I think we have taken the right step and I believe we can strengthen our confidence in this way of doing things.

I should like to conclude with a word of tribute to the decision that Parliament made back in 1963 after nearly 100 years of doing it the other way. I am glad to see this motion put before the House so that the committee can review some of the details of this operation. For my part, that is all I want to see, a review of the details. I do not want to see any derogation from the principle of redistribution by an independent body.

[Mr. Knowles (Winnipeg North Centre).]

Mr. F. J. Bigg (Pembina): Mr. Speaker, I have just two very brief suggestions to make. I hope I am not being irrelevant when I suggest there is a need to take a good look at the armed forces with regard to this whole question. At present they have a choice of voting, but as I understand it the big error is that the voting is not secret. Surely in this day and age we can devise some way in which the armed forces of our country can have a secret ballot the same as anyone else. I hope that the committee when they consider this matter will be given sufficiently broad terms of reference to look into the subject and recommend to the government some reform in the voting of our armed forces.

I am glad the committee members still have an open mind on the question of redistribution. I think some gross errors were made at the last redistribution due to the fact that the preliminary steps were not made soon enough and that the recommendations from the right people were not put before the commission. I do not think that anybody knows the local situation better than the member representing the area. Although the commission must be independent, or as independent as possible, I think that a sitting member who has spent 15 or 20 years representing a riding would be an invaluable witness before the commission.

It would be a perverse commission which did not want to have at least his opinion. The fact that the member has been the choice of 75,000 or 80,000 people for 20 years should in itself be a sufficiently high recommendation so that his opinion would be worth something and should certainly not be neglected. I know in my own case that when Athabasca was redistributed, I could have given them one, or two hints which, if applied, would have better served the people, on matters such as unmarked roads, impassable river barriers, community of interests, and so on. Doing this would not have made any difference to me one way or the other. I think that any member who made a good representation on behalf of his people in order to give them better access to the polls and a better opportunity to be represented by people with a community of interest would risk nothing when it came to election time.

Mr. Les Benjamin (Regina Lake Centre): Mr. Speaker, I would like to make a few

remarks concerning the responsibility of not only members of the House and the commissioner, but the responsibility of the government about the constitution as it pertains to the borders of constituencies and the number of constituencies in a province. While it may not be within the purview of the Standing Committee to look into the number of ridings in any given province, it seems to me that it is within the purview of the House to remind the government, in the whole business of constitutional reform, of how many Members of Parliament shall represent any province.

It seems to me we have an increasing tendency toward having a smaller number of members representing a larger number of people in a larger geographical area, while in other parts of Canada an equivalent number of members represent a smaller population in smaller geographical areas.

I was a member of the group which presented a brief to the Representation Commission in my province a few years ago. The three gentlemen who constituted that committee were very knowledgeable about the law and about the doings of legislatures and of Parliament, but they did not know very much about politics or about politicking. I do not mean that in any critical sense, but I say it because certainly two of the three had never been involved in politics and had never done any campaigning.

• (9:30 p.m.)

I hope that henceforth the Representation Commissioner will consider, when he is drafting or redrafting the boundaries of constituencies, what politicians of all political parties are faced with. The hon. Member who spoke just before me mentioned the geographical hazards. These have not only had to do with creeks, lakes, coulees, community pastures, sandhills and places which you have to go around, but in my constituency there is a lake which is one to three miles wide and 65 miles long. To get from one side of my riding to another I have to go around the lake. I am not complaining. It is a good constituency. It is one the right hon. member for Prince Albert (Mr. Diefenbaker) used to hold, and I am determined that neither he nor anyone like him will get it back. But I know now the kind of problems he had in getting around the constituency.

It seems to me it is not enough just to consider the number of people in a constituency. It seems to me that the Representation Commissioner, within the legal limits to which he is confined, must consider how the candidates of political parties are able to get around a constituency during the course of the electoral process and, once that process is terminated, how the elected member will be able to get around the constituency. Until such time as Parliament and the people of the country agree that it is more important that Members of Parliament get around their constituencies than how much they are paid, the Representation Commissioner will have some handicaps. But if the Representation Commissioner, with whatever commission he has in a province, considers the geographical limitations and the hazards that there are, there will be much more equity in terms of political parties presenting themselves to a maximum number of the electorate and in assuring that whoever is elected is able to do a much better job of getting around a constituency.

There is a further item which, though it may not be strictly in order in terms of the exact words of this motion, still has to do with the representation of Members of Parliament. It has to do with the ability of a Representation Commissioner to consider all aspects of the work of those who must represent the voters of the various constituencies. This concerns how much Members of Parliament are paid. I suspect, Mr. Speaker, you will be wondering how the devil I can connect that matter with the Representation Commissioner, but the cost of travelling and being in one's constituency has more to do with the whole problem than the actual amount of the indemnity. This, again, takes into account the geographical layout of any given constituency.

I feel that in 1965 and in 1966 there was insufficient opportunity for individual citizens and organizations of any kind, be they political or non-political, to make representations and express their views before the commissions in the provinces. I hope that the Committee on Privileges and Elections after considering this motion will recommend to the House that ample time and ample financing be given to the Representation Commissioner. He in turn can authorize the respective commissions in each province to go much more extensively into the matter of holding hearings and receiving the views, first of the political parties—because they are the ones who have to go where the action is and have to do the job—and, equally important, the views of any and all kinds of organizations and individuals who are interested in and concerned with constituencies.

In my province, the way the deck is stacked at the moment, and according to the formula that is laid down constitutionally, even if we gain another 50,000 population we will lose one Member of Parliament after the next census. I could say that as long as it is a Conservative member I will not object. But whatever constituency is lost, it will mean that although 13 of us in the House now represent some 940,000 people, we will end up with 12 representing the same or a larger number of people, and we will have larger geographical areas to cover. This is almost impossible for any member. I hope that the committee when it reports back to the House, and the government when it is considering constitutional matters both in this House and with representatives of the provinces, will consider including in whatever new constitution Canada might have, however long that may take, a much better and more equitable formula for the basis of representation in this chamber.

This is a large country, thinly populated. To keep on compounding the folly we have engaged in since 1953 inhibits the democratic process in large geographical areas and militates against the participation of voters and citizens in the electoral process. It also militates against those who are elected to this chamber—against their ability to do an adequate job in representing their constituencies. I put these remarks on the record if for no other reason than to serve a warning on my colleagues on the Committee on Privileges and Elections that at least some of these areas will be discussed in the committee, and that we hope to get representation from people in other parts of the country on these matters.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS

AUTHORIZATION FOR STANDING COMMITTEE TO ADJOURN FROM PLACE TO PLACE WITHIN CANADA

Hon. Donald S. Macdonald (President of the Privy Council) moved:

That the Standing Committee on Transport and Communications be empowered, during its consideration of the subject matter of ground transportation at airports, to adjourn from place to place within Canada.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I am a member of the Transport Committee and have been since 1966, and when this proposal was put to the committee I opposed it. I opposed it because it is my feeling that too many committees of the House have been working outside Ottawa too often—

Some hon. Members: Oh, oh!

Mr. Allmand: —to the extent that I feel it is very difficult for many of us to do the work that we have to do in Parliament. I agree that parliamentary committees should travel in Canada when it is necessary for them to do so, that is, when there are people who have to be heard and who are not able to come to Ottawa to put forward their points of view, or when it is necessary for a committee, because of the issue, to go to the spot to study that issue. However, I feel that over the last year or two too many of our committees have been going away from Ottawa when for a lesser amount of money they could bring witnesses to Ottawa and pay their expenses. Members would then be able to carry on their work in this House and in other committees, in caucus and so forth.

Many of us now have a large amount of correspondence. We have to deal with correspondence in our offices. Most backbenchers are on two or three committees, and then of course we have to know what is going on in the House. I am not criticizing this committee alone, but I must point out that the committee which I am on travelled to Toronto and Montreal this year and Labrador and the Maritimes late last fall. In fact, this is the fifth time in less than 1½ years that the committee will travel outside Ottawa. I reserve my judgment on several of the other trips that we made but I think we have been spending too much time away.

• (9:40 p.m.)

I want to go on record as saying that I feel we should only take committees out of Ottawa as an exception rather than the rule. If it is possible to bring witnesses here, that should be done. In this particular study of ground transportation between city and airport we have already had hearings in Montreal and Toronto. If the argument is made that to be equitable we should have hearings in the west, I wonder whether we will learn much more by going out there. I understand the itinerary provides for visiting four cities in the west to study the same problem. Surely, one or two would be enough. The steering committee, which is representative of all parties, approved this particular motion. When it repported to the main committee I took exception to it, but I was voted down.

An hon. Member: Hear, hear!

Another hon. Member: I wonder why?

Mr. Allmand: Mr. Speaker, I still feel that we in the House should look at this matter a little closer in the future.

Mr. Bell: Here we go. You started this.

Mr. G. W. Baldwin (Peace River): The particular problem which concerns this committee originated in Montreal. Mr. Speaker, if there ever was a good case to be made for bringing witnesses to Ottawa, that was it.

Some hon. Members: Hear, hear!

Mr. Baldwin: I never heard that the hon. member objected to the committee going to Montreal—

Mr. Allmand: I rise on a question of privilege, Mr. Speaker. As a matter of fact, I did object to the fact that we went to Montreal and I refused to stay there for the whole period and did not take up my full role on the committee.

Mr. Baldwin: I am glad to hear that the hon. member did object. It was mooted, but we never heard it in this House. The issues were properly raised and the committee saw fit to go to Toronto subsequently.

This is a very good committee which has done an excellent job and learned a great deal during the course of its travels. In many respects I agree with the hon. member that the onus is upon the committee to satisfy members of the House that this journey is really necessary. But I think committees have become quite responsible. Certainly, the position taken by the official opposition in the early part of this session was along these lines. The members of the committee made a good case; they satisfied the House, and permission was granted.

At the present time people in this country are almost compelled to go to Montreal or Toronto in order to get to Ottawa. In my view, Mr. Speaker, some of the problems discovered as a result of the examination by the committee have now been found either to exist, or at least potentially exist elsewhere. In these circumstances, I think it is proper to allow the recommendation of the committee to stand. Although I do not deny his right, I am rather amazed at the hon. member objecting to the committee travelling elsewhere when it has virtually unanimously agreed to do so.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I agree only partly with the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). If we found out anything at the hearings of the Transport and Communications Committee hearings in Montreal and Toronto, it was that the problems they are facing are the same as the hon. member for Peace River (Mr. Baldwin) mentioned as potential difficulties. I think the committee should be looking at these problems in the four cities named, if only to avoid the ground transportation difficulties experienced in Montreal and Toronto.

Before any committee of this House leaves Ottawa, I feel that much more preparation should be done and that people concerned with the problem in the areas to be visited should be notified and invited to appear at the hearings. Too often we arrive almost unannounced and the local people only find out afterwards. I do not think there is enough advance preparation and notification. It may well turn out that when the Transport and Communications Committee arrives in Calgary, Edmonton, Vancouver and Winnipeg the taxi companies will not even know about it. It is possible that nobody will appear before the committee in any of these cities. I am prepared to overlook that, because at least the committee will receive some education in travelling to airports and its members will find out what the hon. member for Peace River referred to as potential problems as a result of some rather miserable experiences in larger cities. These four cities are growing and traffic will increase. Therefore, I hope there will be a better job done in regard to advance notice.

Some months ago, Mr. Speaker, I was on another committee of this House. We travelled to three cities and saw only one person in each, at a total cost in excess of $10,000. I am sure we could have brought those three people to Ottawa and given them a suite each in the Chateau Laurier for under $3,000. In committee I was shot down in flames when I suggested that we should advertise and notify organizations and individuals who would wish to appear before us on a matter that was fundamental to our whole society, the reform of our Elections Act. We did not do it, and I think we probably wasted $6,000, or $7,000 of the taxpayers' money. When we left, 24 of us travelled in a 96-seat passenger airplane. That was changed for the return journey because the hon. member for Skeena (Mr. Howard) and myself moved that after the first city part of the committee should return to

Ottawa to save time and money. There was nothing wrong with the purpose and intent of the trip, but where we failed was in inadequate notification to the people concerned that we genuinely wanted to hear what their problems were.

• (9:50 p.m.)

Frankly, I do not think we have done a good enough job even on the Standing Committee on Transport and Communications, which is a pretty good committee. That committee did an insufficient job in giving advance notice of its sittings. It may well be that the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) is perfectly right; perhaps the committee should not have bothered sitting at one or two sites because there were, so few people to appear before it. But that is not the fault of the people there; a good deal of that is our fault. That is no reason for opposing the trip in the first place.

I say we should do a better job in getting ready for the trip, because only then will we have a better response from the people concerned. If we tell the taxpayers where we are going, they will be glad to see us and will not object to how much money the trip costs. Only then will parliamentary committees make heard their voice and play the proper role this chamber has given them.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I must say that I do not find myself in agreement with the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). I find much good sense in what the hon. member for Regina Lake Centre (Mr. Benjamin) has just said about travelling committees. Perhaps one of the best things we have done in the House in recent years is evolve a new role for committees in which they carry the dialogue between the people and Parliament outside this chamber to the people, to where they can see us in action and talk to us while we are doing our work. I think the more we do of that, the better. I believe we have made mistakes and will make mistakes as we evolve this new role, as the hon. member for Regina Lake Centre said. He pointed out some of the mistakes we have made. But that should not deter us from carrying out this role and from learning to do it better.

One of the things we must learn to master is how not to proliferate those endless records which are ground to pulp, sent back to Hull, made into newsprint and utilized again in the printing of enormous records. We must learn not to proliferate them; we must keep track of the enormous records produced when our committees travel. But, it is not right to say that in travelling our committees are not performing a significant function. I think it is one of the most vital things we have done and is one of the most lively things that the House, which is often considered dead in modern terms, is learning to do.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I am tempted to hold up this measure because I feel that the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) is neither so Simon pure nor as sanctimonious as he tries to pretend. If we look at the record—and I have not had a chance to get in touch with our members on the appropriate committees—I think it will be found that the hon. member has taken a few trips himself. I know he was at the United Nations during the past session. I therefore do not think he is so pure as Simon that he can criticize hon. members on either side of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Bell: However, the House Leader has done a good job and for the first time in a long while there is a spirit of comradeship and well-being among the members of different parties. I should hate to spoil the government's program by holding up this legislation, even though tempted to do so.

The hon. member for Peace River (Mr. Baldwin) has made clear our position. In that light perhaps in future we shall have to examine some proposed committee trips. I recall at one time the Committee on Privileges and Elections went off on a wild goose chase. Some members of our party objected to that. I understand the committee came back to Ottawa and did not complete the trip because it was felt the whole thing was useless and without purpose. With that reservation about the sanctimoniousness of the hon. member for Notre-Dame-de-Grâce, we give this motion our approval.

Mr. Allmand: I rise on a question of privilege, Mr. Speaker. I want to make clear that I was not opposing in principle the idea that committees should travel. I merely felt that in some cases they are travelling a bit too much and I thought we should examine the matter more closely.

Mr. Fairweather: That is not a question of privilege; that is debate.

Mr. Allmand: As was said a moment ago—

An hon. Member: The hon. member is out of order.

Mr. Allmand: —the question is, how much time have committees spent—

Mr. Deputy Speaker: Order, please. Is it the pleasure of the House to adopt the said motion?

An hon. Member: On division.

Motion agreed to.

An hon. Member: Ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

SUGGESTED DISCUSSION OF CONFLICT OF INTEREST BILL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on March 3, as reported in *Hansard* at page 4310, I asked whether consideration was being given to arranging for a discussion of the conflict of interest problem either on the basis of my Bill C-188 or on the basis of some government initiative. As I recall, I was not given an answer on that occasion. I asked almost the same question on March 18, as recorded in *Hansard* at pages 5186 and 5187. On that occasion the President of the Privy Council (Mr. Macdonald) was kind enough to answer, although all he did was indicate to me that no decision had yet been taken on this matter.

May I say that in raising this question tonight on the late show it is not my intention to talk about the substance of the problem, namely, the conflict of interest problem itself; nor am I trying to smuggle in a commercial for my Bill C-188. I am genuinely concerned and genuinely anxious to see this House come to grips with the problem of the conflict of interest, and that is my purpose tonight.

Perhaps I might take a moment to indicate at least part of the background to my question. On Friday, June 6, 1969, I asked a question about this measure of the Prime Minister (Mr. Trudeau). It is to be found on page 9823 of *Hansard* for that date. I should like, sir, to read the Prime Minister's reply, which was as follows:

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I appreciate the importance of the question and I appreciate the way it was worded. To make sure that there will be no conflicts of interest in the exercise of the functions of members of the House of Commons or of the other place, I said a few months ago, either when answering a question in the house or at a press conference that the government has the whole question of conflicts of interest under study. During the course of the summer—

That being the summer of 1969.

—I think we will be able to arrive at some view as to what reforms might be made in the Senate and House of Commons Act and in other statutes to ensure that this problem is dealt with in a satisfactory manner.

Then the Prime Minister said:

In the meantime if members of the other parties in the house have constructive suggestions to make, I will be interested to hear them.

Naturally, Mr. Speaker, I welcomed most heartily the Prime Minister's reply and the spirit in which it was given. Because he asked for constructive suggestions that we might wish to make, and since nothing was placed on the Order Paper relating to this when we met in the fall, I introduced my Bill C-188 which suggests a way to cope with this problem. I have tried to make it clear that I wish to see the matter discussed. Since I am the proposer of the bill I should be glad to see it discussed at some special time which might be set aside for it or to have it referred to committee. But I should be just as happy to see the matter discussed under some government initiative.

• (10:00 p.m.)

My purpose, therefore, in posting this question for the late show tonight—and I am glad to see the President of the Privy Council is here and will be responding to it—is not to raise an argument about the substance of the matter but to make my plea to him that some way be found to arrange for Parliament to come to grips with this issue at the earliest possible date.

Hon. Donald S. Macdonald (President of the Privy Council): As the hon. member has indicated, Mr. Speaker, this is a matter which the government has had under consideration for some time. The hon. member did not note this, but I remind the House that last summer a study was carried out the results of which

were tabled in response to a Notice of Motion for the Production of Papers by the hon. gentleman.

While the study was prepared in a very scholarly fashion, it did not seem to certain members of the government and certain members of the opposition to provide a good response to a very awkward legislative problem, not only for this Parliament but for all democratic assemblies including the United States and the United Kingdom.

Mr. Knowles (Winnipeg North Centre): We are agreed on that.

Mr. Macdonald (Rosedale): To a degree we already have a conflict of interest statute, more particularly, the provisions of the Senate and House of Commons Act. It is recognized in certain respects that it is far more restrictive than is necessary. We had an instance last year with regard to certain members of this House who were covered by the sections of the Senate and House of Commons Act far beyond its original intention, and special legislative measures had to be taken in that regard.

The government is not seeking a restrictive measure but one that will give Members of Parliament and others related to government a clear set of rules so that in advance they may order their private affairs in such a way as to avoid conflict with their public duties. The question is still under study within the aegis of my office. I regret I am unable to state at the moment a specific timetable. I agree it would be desirable to try and resolve this particular question at the present time when there is no problem with regard to conflict of interest, and when the question is not one of active partisan dispute in the event that in future there may be an instance in which specific rules will be required.

[*Translation*]

CANADIAN NATIONAL RAILWAYS—SHUT-DOWN OF SOME STATIONS

Mr. Roland Godin (Portneuf): Mr. Speaker, I have already directed a question to the Minister of Transport (Mr. Jamieson), as to the shut-down of some railway stations. That question, which was considered as being of general interest, has to do nevertheless with an abnormal situation.

Favouritism has existed for a long time in the Canadian National and in the Canadian Pacific Railways and the patronage handlers as we call the railway officers who, through their inefficiency, dilapidate the companies' profits, are now going after the employees with 35 to 40 years of service and want to dismiss some of them.

The proper authorities should put a stop to such a situation that leads to the debasement of the human being and of the worker. As the Canadian Pacific have already enjoyed grants and various other benefits from the government, their moral duty towards the Canadian people is as great as that of the Canadian National.

Most of the employees affected by the changes contemplated by the Canadian National and the Canadian Pacific are doubly qualified people, although they are 50 or older. It is obvious they have rightly deserved their present employment. I ask that all the positions filled by those gentlemen be maintained until their official retirement.

Can we allow people who have played an essential part in society, to be shunted in favour of a few technocrats who vote themselves salary increases? Can we, through a govenment organization, do everything possible to create jobs in so-called special areas, and at the same time order crown corporations to dismiss people in that same area?

Let us remember that for 20 years after the end of the last war, the government managed to finance the presence in Germany of thousands of soldiers. In my opinion, we should be able to find the financial means necessary to keep in their jobs some of those people whose health was ruined in the service of this Crown Corporation.

I have already emphasized, Mr. Speaker, the necessity of a royal inquiry into this matter. I am ever more convinced of the pressing need for such an inquiry. There may be a financial mess but there is also a mess of accidents which are endangering the safety of the public and cost the taxpayers millions of dollars.

Here is a striking example of how these changes are brought about in the administration. Eight years ago, in Quebec, there was a director, a certain Mr. Gauthier; today the director is still a Mr. Gauthier. Apparently, it is Mr. Gauthier's son, a tough man who makes it tough for the others. When a man who has done nothing to deserve it, is entrusted with such a position, we have some reason to believe that this high ranking official does not understand his mission too well. We may therefore ask Mr. MacMillan, president of the Canadian National, to reconsider the way promotion is granted in order to

encourage those who have deserved it and have the necessary qualifications to do an honest job.

In Quebec City, in the Canadian National offices, there is a swarm of employees whose work overlaps that of their counterparts in Montreal. Those employees go about in the parishes promising changes in the administration, the efficiency of which has not been proved. Through veiled threats against local authorities, those employees are trying to force municipal councils to accept changes the people do not want.

It seems those gentlemen could not care less. To my mind, it aould be better for the railways, the Canadian National as well as the Canadian Pacific, to get rid of those gentlemen who go about hypocritically. I am told that in Quebec there are ten employees, if not more, who make $15,000 to $20,000 annually; this amount could be used to pay at least 10 or 15 station masters who would serve the population directly.

It may be that some of these officials will try to convince me that certain jobs are no longer needed in view of the progress in electronics. As some of the retired employees of the Canadian National receive less per month than people on social welfare, we are opposed to the lay-offs proposed by this company.

In view of the fact that the pension fund has accumulated something like $1.5 billion and that 2,500 C.N. pensioners get only $25 a month, 7,325, $100 a month, and over 8,000 less than $200 a month, adjustments are obviously needed.

I therefore echo, Mr. Speaker, the recommendations at one of the locals of the Transportation Employees Union, and I quote:

1. That a full inquiry be requested on the financial situation of the Canadian National pension plan.

2. That the C.N. pension plan become negotiable and integrated in the labour agreement.

3 That the C.N. pension committee be composed of an equal number of representatives of the company and the unions, plus a retired member of the union and a chairman chosen by the members already mentioned.

4. That the pension be computed as in the Civil Service of Canada, at the rate of 2 per cent per year of eligible employment, on the basis of the five best paid consecutive years, and that such pension be paid independently of the Canada or Quebec pension plans.

5. That the allowance paid to widows and legal heirs of retired personnel be 75 per cent instead of 50 per cent.

6. That a cost of living bonus be paid to retired personnel in order to adjust their pension to the present cost of living and that later on this level be prorated to the cost of living for all retired personnel.

7. That an employee may retire at 60 years of age with his employment years computed as if he had retired at 65.

Mr. Speaker, I hope that the minister will get the full impact of these recommendations which are simply intended to ensure the security and welfare of a class of workers who have paid for it for a long time, and who are not responsible for the increase in the cost of living.

[*English*]

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, in the absence of the minister, and again in the unavoidable absence of his Parliamentary Secretary, I should like to reply to the hon. member for Portneuf (Mr. Godin). I must first of all say that he has raised questions this evening that are broader and more general, and in some cases more specific, than the question that was raised in *Hansard* for March 11, at page 4672. With respect to these questions, I will certainly draw them to the attention of the minister and trust that he will be making a reply to the hon. member.

• (10:10 p.m.)

What I am authorized to say with respect to the question that was raised in *Hansard* in regard to the closing down of certain railway stations is that this issue concerns a proposal by the CNR to implement a master agency plan in the area of Quebec City. In order to facilitate this, and to ensure public understanding, a railway representative is visiting local authorities in the municipalities in order to provide a full explanation of their plans and seek the co-operation of all interested parties. The railway is also informing its customers in this area. I am told no threats have been made by any officer of the railway. That is in direct reference to a question in *Hansard.*

Mr. J. A. Gauthier is the manager of the railways head office in Quebec City. He has endeavoured to arrange a meeting with the hon. member for Portneuf and the hon. member for Champlain (Mr. Matte) to explain to them the company's proposal. I understand that this will be done as soon as possible.

Proceedings on Adjournment Motion

RESEARCH—SUGGESTED GRANT TO CANADIAN PEACE RESEARCH INSTITUTE

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, on March 13 I addressed a question to the Prime Minister (Mr. Trudeau) in the following terms:

I should like to direct a question to the Prime Minister about a matter in which I understand he demonstrated some interest as a private citizen before he assumed office. Does the government have under active or current consideration the question of granting some financial support to the Canadian Peace Research Institute, let us say, of the order of a quarter of one per cent of what we provide for the Department of National Defence?

Mr. Speaker then said:

I would suggest to the hon. member that although the question is an important one it is one which ought to be placed on the Order Paper.

I felt it was time the question of the Canadian Peace Research Institution had more airing in this chamber than it has had for some time, so I decided to raise the matter on the adjournment debate. I now have the opportunity to deal with this matter.

It might be appropriate if I were to call to the attention of members of the House some of the beginnings of the Canadian Peace Research Institute. I have in my hand an information report which was published in November of 1962, which sets out a little timetable. It says that in March, 1961, Dr. Alcock published 500 copies of "Bridge of Reason", which he sent to acquaintances in science, business and government in Canada, Britain and the United States. He has been the leading light in this organization.

It says that in August of 1961 Dr. Brock Chisholm, Dr. Hugh Keenleyside, Professor Kenneth Boulding and Right Reverend James Thomas joined Dr. Alcock to establish the initial plans. In November of that year the establishment of the Canadian Peace Research Institute was announced at a Montreal conference. Following, in January of 1962, the Department of National Revenue recognized the institute as a charitable organization for income tax purposes. On May 1 the first board of directors meeting authorized the initial operation of the institute.

I think it might be of interest to put on record the names of the early directors of the organization. They were Dr. Norman Alcock, Dr. Kenneth E. Boulding, Jacques Brillant, Dr. G. Brock Chisholm, Dr. Pierre Dansereau, Dr. Franc R. Joubin, Dr. Hugh Keenleyside, Walter C. Koerner, Right Reverend James S. Thomson, Mr. W. D. Tucker, Francis G. Winspear, Gerard Pelletier and Pierre Elliott Trudeau. So I think my reference to the fact that the Prime Minister showed an interest in this matter as a private citizen was warranted.

[Mr. O'Connell.]

Actually, my raising of this question was prompted because several of my constituents had written to me enclosing a copy of an editorial which appeared in the Toronto *Daily Star* of Monday, February 2, 1970, which I feel is worth drawing to the attention of the House. I should like to mention that the editorial outlines some of the projects which the peace institute has undertaken in the last seven years. It states:

A study by Dr. Gideon Rosenbuth of the University of British Columbia which demonstrated that there was little foundation for the widely held fear that reductions in armaments would lead to a depression.

An international conference on means of improving United Nations peacekeeping methods, which was attended by representatives of 24 nations.

Publication of a regular series of papers and booklets on problems related to peace, which are widely used by governments and universities around the world.

A study of factors in the everyday life of societies—methods of child-raising for example—which favor the growth of militarism and totalitarianism.

Research on "indicators of tension," using data on arms expenditures to provide storm warnings of coming troubles in various areas—hopefully in time for preventive action to be taken before shooting actually starts.

The editorial continues to point out that all this has been carried out on a financial shoestring with an annual budget of around $60,000, and that in other countries such as Sweden and the Netherlands much larger grants are made to this type of organization by their governments. It is suggested this is an example Canada should follow.

I picked a figure out of the air in my question when I suggested one quarter of one per cent of our national defence budget. I might point out that in terms of the current estimates, where the figure is $1,591,776,000, this would work out to something like $3,979,440. In rounding out my argument I would like to suggest that if the government would consider even one-hundredth of one quarter of one per cent, this would work out to something like $39,794. I would suggest that if the government would be prepared to make a contribution to the budget of the Canadian Peace Research Institute on the basis of something like $40,000, this would be at least a commendable start.

I hope that whoever is to reply tonight for the Prime Minister, will indicate that the government under the Prime Minister's leadership agrees that my suggested figure of one

quarter of one per cent of our national defence budget would be an appropriate start for this government to make in the form of a grant to the operations of this body, which has performed such very useful work in leading to an understanding of the causes of war and the ways of promoting peace since its inception in 1962.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, this is a question on which the government has already received representations from the hon. member for Davenport (Mr. Caccia), the hon. member for Ontario (Mr. Cafik), the hon. member for Victoria (Mr. Groos) and the hon. member for New Westminster (Mr. Hogarth). I can assure the hon. member for Comox-Alberni (Mr. Barnett) that the government has nothing but the greatest respect for those persons who are involved with the Canadian Peace Research Institute.

I recall when I was Parliamentary Secretary to the Secretary of State for External Affairs I had the opportunity to meet Dr. Alcock and discuss with him a number of the projects. I regretted at that time that we could not be of more assistance to him. In the interval, of course, we have gone into a period of austerity in respect of the government's budget, and the government expresses regret that at the present time it is not in a position to contribute to very worth-while objectives such as those of the institute. I might say that basic research of the type advocated by the institute is now being indirectly supported by the government of Canada at Canadian universities.

As I have indicated I regret that at the present time the government is not in a position to assist the institute, although the government has great respect for its objectives.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Tuesday, March 24, 1970

The House met at 2 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-12, an Act to establish the International Development Research Centre, with amendments, to which the concurrence of this House is desired.

PRIVILEGE

MR. STEWART (COCHRANE)—TREATMENT OF CERTAIN PRIVATE BILLS BY STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I rise on a question of privilege. This question of privilege is twofold. It arises as a consequence of the fourth report of the Standing Committee on Privileges and Elections which appears in *Votes and Proceedings* for last Thursday.

One of the main considerations of that committee was the question of qualifications of electors and candidates in elections. I had presented a bill, C-120, similar to a bill which had been presented by the Minister without Portfolio from York-Scarborough and to two other bills which were on the Order Paper. All these bills, which were referred to the Standing Committee on Privileges and Elections, provided that all people who vote in elections or who are candidates in elections should be Canadian citizens. The idea was that the Canada Elections Act would be changed so that British subjects who were not Canadian citizens would no longer be entitled to vote in elections or be candidates in an election.

Apparently this matter was considered by the Committee on Privileges and Elections and in its fourth report under item 9 of Part I of the recommendations the sense of those bills has been completely reversed. It states in effect that only Canadian citizens would be qualified as electors and then in parentheses these words are added:

for this purpose British subjects, other than Canadian citizens, who were ordinarily resident in Canada on the 25th day of June 1967, be deemed to be Canadian citizens.

Mr. Speaker, one cannot be deemed to be a Canadian citizen. Either one is a Canadian citizen or is not. This whole thing is a mockery of the bills that were referred to the committee. Under the guise of saying that one must be a Canadian citizen in order to qualify as an elector the committee has added in parentheses that a British subject is to be deemed to be a Canadian citizen.

• (2:10 p.m.)

My question of privilege is twofold. First of all, the committee has no right to take bills and turn them around.

Mr. Diefenbaker: Why not?

Mr. Stewart (Cochrane): Second, a committee, when considering a bill of an hon. member, should at least invite the hon. member who presented the bill to be present at the hearing.

Some hon. Members: Hear, hear!

Mr. Stewart (Cochrane): Who else is more qualified to speak about the bill than the author of the bill? This was not done and is never done. I suggest that these are two points of privilege which must be considered, and I am prepared to move a motion accordingly if Your Honour will accept this question of privilege.

Mr. Speaker: May I first thank the hon. member for his co-operation in agreeing yesterday to postpone the consideration of this matter until this sitting of the House. The delay has made it possible to give additional consideration to the interesting point he has raised for determination by the Chair. The hon. member reminded the House that Bill C-120 standing in the hon. member's name was removed from the Order Paper some time ago after the subject matter thereof was referred by consent, to the Standing Committee on Privileges and Elections. Eventually, the committee reported to the House. The committee report does refer to the hon. member's bill and submits recommendations which the hon. member suggests differ from the proposals contained in his bill.

The hon. member suggests that he has a question of privilege on two counts: first, that the committee report does not conform with certain aspects of his private bill and, second,

that he was not notified when the committee proceeded with the consideration of Bill C-120.

I wish I could say that as a result of the additional time I have had to consider this matter, due to the hon. member's forbearance and courtesy, the Chair has been able to conclude that he has a legitimate question of privilege. In my view, whether the committee's findings and recommendations conform or do not conform with the proposals contained in the private bill cannot constitute a question of privilege. There are no rules and no precedents to support the hon. member's contention.

The second difficulty raised by the hon. member for Cochrane to the effect that he did not receive advance notice of the consideration by the committee of the subject matter of the bill, while it may amount to a legitimate grievance, does not justify a prima facie question of privilege. All hon. members will agree, I am sure, that as a matter of courtesy an hon. member whose bill or motion is to be considered by a committee should be notified by the committee chairman, the committee clerk, or someone on their behalf. I believe that this is the normal practice. I believe that in normai circumstances, when a private bill, or more often the subject matter of a private bill, is referred for consideration by a committee, either the committee chairman or the committee clerk gets in touch with the member or the member himself takes the initiative to communicate with the officers in charge of proceedings in the committee to ensure that he will be available when the matter is considered and discussed in the committee. In any event I would like to suggest that the procedure should be reviewed so as to ensure that advance notice is always conveyed to the sponsors of private bills and resolutions which have been referred to committees so that the unfortunate incident of which the hon. member has been a victim cannot be repeated.

This having been said, I have to rule that although the hon. member would appear to have a very legitimate grievance, there is no question of privilege on which a motion could be founded and put to the House at this time.

MR. CAFIK—USE OF POST OFFICE BOX 4430

Mr. Norman A. Cafik (Ontario): Mr. Speaker, pursuant to Standing Order 17 I rise on a question of privilege. Notice of this question has been given to Your Honour to fulfil the conditions of Standing Order 17(2). My question of privilege relates to the mail addressed to, and I quote, "My Member of Parliament, P.O. Box 4430, Ottawa, Ontario."

I raise this question at the earliest opportunity because it has only come to my attention that mail intended for myself was forwarded to another Member of Parliament, and because of other details regarding this case of which I was not aware prior to now.

I believe that Members of Parliament have the right to expect free access by their constituents to themselves without going through an outside intermediary, and I maintain that the action taken by those responsible for the dissemination of information indicating an improper address for Members of Parliament is a direct violation of my privileges and the privileges of all members of this House.

Some hon. Members: Hear, hear!

Mr. Cafik: Mr. Speaker, as much as I laud the actions of those responsible for these advertisements in so far as they are attempting to involve more people in the democratic process and to advance the goal of participation in the Governmental Process, I feel that their ill-conceived actions have resulted in a backward step for genuine participation. It does not further the cause of participation to publish a misleading and erroneous address for all members of this House.

I further contend that no individuals or groups have the right, however lofty their motives, to place themselves as an intermediary between the public and their elected representatives, and to do so is to violate our exclusive rights as members of this House.

Some hon. Members: Hear, hear.

Mr. Cafik: I further contend that no one has the right to intercept my mail and remove it from the post office for any purpose whatsoever. This is not only a violation of the Post Office Act, section 8, which gives the Postmaster General the sole and exclusive privilege of collecting, conveying and delivering letters within Canada, but it is also a violation of the privileges of this House in so far as this mail was directed to Members of Parliament. Furthermore, the Post Office Act, section 39, indicates that "mailable matter becomes the property of the person to whom it is addressed when deposited in a post office."

I further contend that the very act of establishing this post office box is a contravention of my rights as a member of this House and the Post Office Act, section 69, which makes it

an offence for anyone other than the postal authorities to "undertake to collect, convey or deliver any letter within Canada."

It is my understanding, Mr. Speaker, that not only was this mail removed from the post office box but that in many cases such mail was redirected to Members of Parliament on an arbitrary basis without due consideration to determine to whom it should have been directed. Consequently mail intended for one Member of Parliament was misdirected to other Members of Parliament.

I believe, Mr. Speaker, that all hon. members have the right to know what happened to this mail following its removal from post office box 4430 and prior to it being delivered. Were tabulations prepared as to quantity, or was any attempt made to prepare mailing lists? If either of these things was done I feel, with all respect, that our rights have been most seriously violated.

Some hon. Members: Hear, hear!

Mr. Cafik: There is one last point, Mr. Speaker, regarding the use of P.O. Box 4430. Many people in Canada may well believe that this is the official way to contact their Member of Parliament. How many may have set that address aside for use at a future date? There is enough alienation in our society without misleading the public as to how to communicate with the members of this House. In view of the importance of this matter I hereby move that the subject matter of this question of privilege be referred to the Standing Committee on Privileges and Elections for report thereon.

Some hon. Members: Hear, hear!

Mr. G. W. Aiken (Parry Sound-Muskoka): Mr. Speaker, I just want to say in regard to the question of privilege that has been raised that I have received hundreds of letters and coupons and they have come to me directly because my constituents know who I am.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

• (2:20 p.m.)

Mr. Hees: On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. There is now a question of privilege before the House and we cannot have two questions of privilege at the same time; the one before the House is complication enough. The hon. member seeks the floor either on a point of order or on a question of privilege but I wonder if it is a matter of urgency. If he has a legitimate point of order perhaps I should hear it.

Hon. George Hees (Prince Edward-Hastings): A point of order, Mr. Speaker, which will not take very long. My point is that I believe the hon. member for Ontario did a disservice to this House by not reading that message nearly as well as the Minister of Finance who wrote it out for him.

Some hon. Members: Oh, oh!

Mr. Cafik: On a question of privilege, Mr. Speaker, the hon. member—

Mr. Speaker: Order, please. The hon. member for Ontario already has one question of privilege. He cannot have two questions of privilege at the same time.

Mr. Cafik: Mr. Speaker, I demand an apology—

Mr. Speaker: Order, please. The hon. member has to wait until the Chair has had his say. For the moment the hon. member has to be patient. I wish I had followed my original intention and not recognized the hon. member for Prince Edward-Hastings.

I am sure the hon. member for Prince Edward-Hastings was not seriously suggesting that the statement made by the hon. member for Ontario was not his own or that he was not himself the author of the question of privilege which he has submitted to the House. I am sure the hon. member, who has long experience in the House, knows that he has no right to make this suggestion and I would invite him to confirm the understanding of the Chair.

Some hon. Members: Withdraw!

Mr. Cafik: With all due respect, Mr. Speaker, you may be right in imputing to the hon. member rather facetious motives but I know that neither I nor anyone else in the House has the right to impute motives and I feel that on the basis of what he has said I deserve an apology for an absolutely inaccurate and insulting statement by the hon. member.

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, I do not wish to impute motives in any way. All I did was criticize the hon. member's mode of reading a message that had been prepared for him by another hon. member.

Use of Post Office Box 4430

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Order, please.

Mr. Hees: I will say it was well read and then everybody will be happy.

Mr. Speaker: The Chair would not be happy. The hon. member cannot make this suggestion and he has to agree that when an hon. member has made a statement or a speech no other hon. member has the right to suggest that it has not been prepared by himself and is not an expression of his own views and thoughts. That is why I have invited the hon. member to indicate to the Chair that my understanding of his thoughts is correct.

Mr. Hees: Mr. Speaker, as always I will be very glad to agree with your ruling and withdraw my remarks.

Mr. Baldwin: He could not write that well.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am rising on the same question of privilege to say very briefly that while I do not mind getting coupons which should be sent to my colleague the hon. member for Winnipeg North Centre and I do not even mind getting coupons from that part of the area which is now in the constituency of Selkirk, I do object to having to answer people who live in the constituencies of Winnipeg South Centre, Winnipeg South or St. Boniface. I think those members should deal with their own coupons and I wish they could be sent to the right members and not to me.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on the same question of privilege. I need not mention names or name places because I think Your Honour is aware of the situation I am alluding to. Not only is there outside interference but there has been inside interference, so to speak, which has been drawn to Your Honour's attention. Not only is there interference with the mails but also with the operations in my own office. This matter, which has been brought to Your Honour's attention, could very well be tied in with any vote on the question of privilege raised by the hon. member for Ontario.

Mr. Speaker: Order, please. As hon. members will remember, yesterday the right hon. member for Prince Albert raised as a question of privilege the fact that the box in question had been closed. Today the hon. member for Ontario has raised his question of privilege on the grounds that the box has been opened. This leaves the Chair in a box.

[Mr. Hees.]

I will search for the key to the riddle and try to give an answer. I will consider the matter very seriously. I realize this is a matter of very serious import and have wondered myself for some time whether, in one way or another, the rights and privileges of hon. members were in any way adversely affected either by the opening of the box or by the closing of the box or by the operations which are related in some way to this question. I am pleased the matter was raised earlier by the right hon. member for Prince Albert and today by the hon. member for Ontario.

I should say that I have some procedural misgivings about the way the matter was raised today by the hon. member for Ontario. We all know that one of the most important considerations to be taken into account by the Chair in determining whether there is a prima facie case of privilege is whether the matter was raised at the first opportunity. The hon. member is really complaining that this box was opened some time ago. It seems to me that, so far as all hon. members are concerned, this has been common knowledge or should have been common knowledge for some weeks now. I therefore wonder whether the matter being raised now is being raised at the first opportunity. That is an aspect of the matter that the Chair cannot overlook. With this reservation, the matter will be looked into and tomorrow perhaps or on Thursday, if the House is sitting then, the Chair will give a decision.

Mr. Baldwin: Don't scare us, Mr. Speaker.

ROUTINE PROCEEDINGS

FINANCE

TABLING OF VOLUME I OF REPORT OF AUDITOR GENERAL FOR FISCAL YEAR ENDED MARCH 31, 1969

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have tabled today copies in the two official languages of volume I of the Report of the Auditor General to the House of Commons for the fiscal year ended March 31st, 1969.

As the House is aware, the Financial Administration Act requires that the report of the Auditor General be laid before the House on or before December 31st or, if Parliament is then not in session, within 15 days after the commencement of the next ensuing session. The Auditor General has asked me to

extend his apologies to the House for the lateness of his report which has been caused by circumstances beyond his control.

In order to reduce the delay to a minimum, the report is being submitted in two volumes. Volume I contains the introduction followed by the usual summary of expenditure and revenue and comments on expenditure and revenue transactions. Volume II, which will be completed and tabled later, will contain the summary of assets and liabilities and the sections on Crown Corporations, departmental operating activities and special audits and examinations.

THE CANADIAN ECONOMY

TABLING OF INCOME AND CORPORATE PROFIT FIGURES

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, yesterday it was requested of me, and the House agreed, that I should table certain figures relating to wages, salaries and supplementary labour incomes and also figures relating to corporate profits before taxes for the last 20 years. I am prepared to do that now.

[*Translation*]

GOVERNMENT PUBLICATIONS

TABLING OF CANADA YEAR BOOK AND BROCHURE "CANADA"

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, some time ago you kindly informed me that there was some delay in supplying hon. members with copies of the Canada Year Book and the handbook "Canada". You also suggested that I table those publications so that they could be distributed more quickly to hon. members. In accordance with your wish and with Standing Order 41(2) of the House, I am happy to table today copies of the Canada Yearbook and of the handbook "Canada" in the two official languages.

• (2:30 p.m.)

[*English*]

POWER

BAY OF FUNDY—TABLING OF FEASIBILITY STUDY OF TIDAL POWER DEVELOPMENT

Mr. R. J. Orange (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in the two official languages copies of a feasibility study of tidal power development in the Bay of Fundy.

Inquiries of the Ministry

ORAL QUESTION PERIOD

HEALTH AND WELFARE

LIVING CONDITIONS IN CITY SLUMS

Hon. George Hees (Prince Edward-Hastings): I wish to direct a question to the Prime Minister. As the Prime Minister was obviously well satisfied with the results of the six days he spent recently in the Arctic examining first-hand the living conditions of our native peoples, is he planning to spend an equivalent period of time during the parliamentary recess visiting the slums of our major cities, examining first-hand the living conditions of those living below the poverty line?

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Hees: A supplementary question.

Mr. Speaker: Order, please. I will return to the hon. member in due course.

NATIONAL DEFENCE

UNITED STATES AIR FORCE EXERCISE OVER SASKATCHEWAN

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of National Defence regarding the announcement that United States military aircraft will undertake an exercise over the province of Saskatchewan? In view of the concern which has been expressed by people in that province because of the lack of information, can the minister tell the House the purpose of the exercise? Can he also tell the House at what altitude these planes will be flying and whether any Canadian planes will be participating in this exercise?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I have to contest the assertion by the hon. member that there was a lack of information. We did issue a very comprehensive press release in which the altitudes, routes and everything were spelled out. The purpose of the exercise is, within the arrangements we have with the government of the United States, to help SAC pilots practise on different routes than what they are accustomed to. With regard to the last part of the question, there are no Canadians participating except with reference to the ground arrangements so that we have control of the operation.

Inquiries of the Ministry

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. Will the planes in question be carrying any explosive bombs, incendiary bombs or any other explosive devices that could constitute a danger to the civilian population in the event of any of them meeting with a mishap?

Mr. Cadieux (Labelle): No, Mr. Speaker. I believe this was stressed in the press communiqué. There will not be any weapons aboard.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary. In view of the fact the minister has explained that the purpose of the exercise is to familiarize pilots with unfamiliar terrain, could this exercise not be held as well 100 or 200 miles north where there is less population and where it would be less likely to cause any concern on the part of the population?

Mr. Cadieux (Labelle): Mr. Speaker, if I might again be allowed to refer the hon. member to the press release that was made, we did indicate that the routes which have been selected are the most sparsely populated in that particular area.

[*Translation*]

AGRICULTURE

REPRESENTATION ON DAIRY COMMISSION—POLICY RESPECTING SURPLUS MILK

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Minister of Agriculture, I wish to ask his Parliamentary Secretary a question.

Has the government changed the policy of the Canadian Dairy Commission which had been established by the former Minister of Agriculture who said that the Canadian Dairy Commission could hardly operate without a commissioner representing milk purchasers and concerned with the sale of dairy products, since the recent appointment to the Canadian Dairy Commission indicates that no commissioner has been named to represent purchasers?

Mr. Speaker: I take the liberty of suggesting to the hon. member that his question is rather argumentative. He could perhaps rephrase it, so that the Parliamentary Secretary may answer it.

Mr. Rondeau: With your leave, Mr. Speaker, I should like to rephrase my question.

Could the Parliamentary Secretary tell the House whether the Canadian Dairy Commission now intends to deprive itself of the services of a commissioner representing milk purchasers?

Mr. Florian Côté (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, at the present time as in the past years, three commissioners are members of the Canadian Dairy Commission. One resigned some two months ago. His post was filled and a press release was published to that effect. So nothing is changed.

Mr. Rondeau: I should like to put a supplementary question, Mr. Speaker.

Can the Parliamentary Secretary indicate whether the surpluses of fluid milk which have been mentioned yesterday, when the government policy was announced, will also be submitted to a policy of penalization?

Mr. Côté: Mr. Speaker, the representatives of milk producers associations have undertaken a study with the milk producers in order to solve this problem themselves, since it lies outside the federal jurisdiction, but is within the provincial jurisdiction.

Mr. Rondeau: Mr. Speaker, I have a complementary question.

Can the Parliamentary Secretary explain why, according to the new policy, the sum of $1.25 per hundredweight will be deductible at the plant on surpluses, even if the producers do not receive a subsidy?

[*English*]

NATIONAL PARKS

SUPREME COURT DECISION UPHOLDING VALIDITY OF PERPETUAL LEASES—TEMPORARY HABITATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Minister of Indian Affairs and Northern Development. It has to do with the judgments by the Supreme Court of Canada in the Queen *v.* Walker and the Queen *v.* M. E. Clark and Son Ltd., by which judgments the Supreme Court of Canada decided that the arbitrary order of the department that a 42-year perpetual lease could not be renewed were beyond the powers of the government or the department. Under the circumstances, will the minister say what will happen to those people who have lived either in Jasper National Park or in Banff National Park and who, under coercion, signed renewals and thereby through misunderstanding did away with their rights? Is the government going to place

them in the same position as those who fought successfully against the orders that were made?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, last Friday the Supreme Court handed down a judgment and the officials of the Department of Justice and of my department are now studying it. I will certainly have comments to make in the House as soon as a policy has been established following the judgment of the Supreme Court.

[*English*]

Mr. Diefenbaker: The Supreme Court of Canada ruled that the government cannot do this kind of thing. I ask the minister whether in view of this judgment, important in trimming down bureaucratic tyranny, the government will now give consideration to the orders respecting shack camps and temporary habitations in the national parks so that these places will not be subject to the orders which have been made during the past two years?

Mr. Chrétien: I should like to point out to the right hon. gentleman that the order in council relating to this matter of perpetual leases was passed by his own government. We are studying the matter now in all its aspects.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I rise on a question of privilege, Mr. Speaker. If the hon. gentleman was endeavouring to make a statement precisely opposite to the truth, he succeeded admirably today.

Some hon. Members: Hear, hear!

TRANSPORT

CESSATION OF RAILWAY PASSENGER SERVICE IN WESTERN ONTARIO

Mr. P. V. Noble (Grey-Simcoe): I should like to address a question to the Minister of Transport. I see he is not in his place today, though he is supposed to be here, and neither is the Minister of Supply and Services who sometimes answers for him.

Some hon. Members: Author!

Mr. Noble: I should like to make an apology. I have just been told that the minister's brother has died. Perhaps I can direct my question to the Prime Minister and he can take it as notice. Has the Minister of Transport received letters or briefs protesting a threatened cessation of railway passenger service over a wide area of western Ontario, and will he use his good offices to have the service maintained until a thorough assessment of the situation can be made by the people concerned and by the transport department?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): I will see that the question is conveyed to the minister responsible and that the hon. member is notified of the information we have.

GRAIN

WHEAT—SUGGESTED WITHDRAWAL OR ALTERATION OF ACREAGE REDUCTION PROGRAM

Mr. Gordon Ritchie (Dauphin): I have a question for the minister in charge of the Wheat Board. Having regard to the widespread opinion among western farmers that the "lift" program will be largely ineffective would the minister consider withdrawing this plan either in whole or in part or making major alterations to it?

Hon. Otto E. Lang (Minister without Portfolio): Certainly not. I believe the hon. member is altogether wrong in his assumption that farmers will not participate in this program. In my view there will be significant participation leading to a reduction in wheat acreage. This is very important in view of the fact that a recent report of the Dominion Bureau of Statistics indicates there might have been too great a switch into other grains.

Mr. Craig Stewart (Marquette): Bearing in mind the situation of farmers who have already diversified and reduced wheat acreage, and the fact that farmers on one section or less would suffer severe loss of income under the proposed acreage reduction program, would the minister revamp this program in order that the quota might be more realistic in these cases?

Mr. Speaker: Order. It seems to me the hon. member's supplementary is essentially a repetition of the original question.

WHEAT—PUBLISHING OF ACREAGE REDUCTION PROGRAM REGULATIONS

Mr. A. P. Gleave (Saskatoon-Biggar): In view of the fact that the acreage reduction program as a whole is not being accepted by the farmers, and since there is a great deal of confusion about the regulations governing it, despite the nearness of the planting season,

can the minister tell the House whether he and his colleague, the Minister of Agriculture, will publish these regulations and let the House and the farmers know where they are heading?

Hon. Otto E. Lang (Minister without Portfolio): Very full information about this program and its application to individual farmers was made available in a mail-out to every permitholder in the prairie provinces. It is, of course, not possible to put the regulations themselves in place until the items which are before this House, on which they would in part be founded, are approved.

Mr. Gleave: Since the minister has himself changed the regulations by public announcement at public meetings since that pamphlet was produced, I again ask him if he will move with all speed to get these regulations into the hands of the public?

WHEAT—ACREAGE REDUCTION PROGRAM—ESTABLISHMENT OF APPEAL BOARD

Mr. S. J. Korchinski (Mackenzie): The minister indicated that an appeal board would be set up. Since many farmers propose to make their plans on the basis of any decisions which the appeal board might reach, may I ask whether the board will be established before seeding time and whether the cases before it will be disposed of in time for plans to be formulated?

Hon. Otto E. Lang (Minister without Portfolio): Provision along those lines will be made in the regulations which are being developed. Adequate information has been made available to farmers which should guide them in their plantings, and of course the appeal board will be dealing only with difficult and particular applications of the regulations to certain factual situations. I do not think that should lead to any uncertainty on the part of the farmers.

Mr. Korchinski: What would happen in the case of a farmer who was hailed out last year, put his land into summerfallow the previous year, and is going to put a crop in this year? Is he going to sell no crop at all? Will no consideration be given to his needs in these critical circumstances?

WHEAT—ACREAGE REDUCTION PROGRAM REGULATIONS

Mr. Les Benjamin (Regina-Lake Centre): In light of the answers given by the minister, and of the letters and petitions which many of us have received protesting against the acreage reduction program, would the hon. gentleman, in formulating these regulations, consider making provision under the new delivery quota system for farmers who had no wheat carried over, and is further consideration being given to the situation of farmers who reduced their wheat acreage and increased their summerfallow last year?

Hon. Otto E. Lang (Minister without Portfolio): As far as the second part of the question is concerned, it has already been made clear what action will be taken to recognize additional summerfallow put in last year. Farmers without surpluses are at least in a position where they can grow non-wheat crops with some security, knowing that there will be less acreage in these crops and therefore the likelihood of a better market. Should they feel they must grow wheat, they can do so in secure knowledge of what the quota will be on the balance of their land.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question on the grain trade for the Minister of Industry, Trade and Commerce.

In view of the fact that the Wheat Board has been selling barley, since the fall of 1969, for 78 cents and even for 76 cents per bushel, whereas they charged $1.07 per bushel in eastern Canada, could the minister tell the House whether or not the province of Quebec may expect to benefit from preferential export prices if it becomes independent as a result of the elections of April 29?

[*English*]

TRANSPORT

SECOND VOYAGE OF "MANHATTAN"—AUTHORIZATION AND DATE OF TRIP

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Transport. I am sure all hon. members learned with regret of his sad bereavement. In the circumstances I will direct the question either to the Prime Minister or to the Minister of Indian Affairs and Northern Development, since this is a matter of considerable public interest and the House is to close tomorrow for a number of days. Can the House be informed whether the *Manhattan* has been cleared for passage through the Canadian Arctic and when will this voyage begin?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Department of Transport has written to the chief engineer and to the owners of this ship asking for their full co-operation in having a Canadian officer of the Department of Transport on board during the trip.

We should also like to have a man responsible for the company in Ottawa during that trip in order that communication between the department and the owner of the ship will be established so that each will know what is happening.

Mr. Nesbitt: I have a supplementary to the Parliamentary Secretary. Along with the information that the Parliamentary Secretary has provided the House, which was very welcome, I am wondering whether he might also tell us the exact date on which the *Manhattan* will be commencing its voyage, and also whether the Humble Oil Company has accepted full responsibility for any possible pollution damage, and what is the amount of the bond the company is putting up?

Mr. Loiselle: Mr. Speaker, I do not have all the information requested by the hon. member right now. I know the department has asked the company to carry insurance of $6,500,000 in respect of responsibility. As to the other considerations, I will inform the hon. member.

Mr. Nesbitt: I have a very brief supplementary. Perhaps the additional information that the Parliamentary Secretary does not have at his fingertips now could be provided to the House during the question period tomorrow, or perhaps the Parliamentary Secretary or the minister could make a statement on motions.

[*Later:*]

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a supplementary question to the Parliamentary Secretary. Can he advise the House also whether officials from the Department of Transport or other government departments will be accompanying the *Manhattan* on its voyage into the north and through the passage?

[*Later:*]

[*Translation*]

Mr. Loiselle: Mr. Speaker, as I have just said, an officer of the Department of Transport will be on board ship during the trip and a responsible representative of the company will remain here in Ottawa to establish communications.

[*English*]

SECOND VOYAGE OF "MANHATTAN"—ACCEPTANCE OF REGULATIONS BY HUMBLE OIL COMPANY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, could I ask the Parliamentary Secretary whether the Humble Oil Company has informed the Department of Transport that it is prepared to accept all of the 24 conditions laid out by the minister as contained in the appendix to *Hansard* of Tuesday, March 17?

[*Translation*]

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Yes, Mr. Speaker. The list of the conditions laid out by the Department of Transport was submitted to the company which has agreed to fulfil all of them.

[*English*]

DRUGS

INQUIRY AS TO REPORT OF LEDAIN COMMISSION

Mr. Robert Muir (Cape Breton-East Richmond): Mr. Speaker, my question is for the right hon. Prime Minister. May I ask him whether the government has received the report of the LeDain inquiry into drugs yet and, if not, how soon will it be forthcoming?

Right Hon. P. E. Trudeau (Prime Minister): I understand, Mr. Speaker, that it will be forthcoming forthwith.

THE CANADIAN ECONOMY

FOREIGN OWNERSHIP OF CANADIAN CORPORATIONS

Mr. David Lewis (York South): Mr. Speaker, I hope that the question I have for the Minister without Portfolio from Windsor will also be answered by forthcoming forthwith. Can be inform the House whether he has completed his study on foreign ownership in Canada, which I understand he was instructed to make by his colleagues in Cabinet, and whether he has already presented recommendations to cabinet to deal with the subject?

Hon. Herb Gray (Minister without Portfolio): Mr. Speaker, earlier in the House the Prime Minister said a minister would be presenting a document in this area to the cabinet for study within a month. I understand that it is not proper to discuss matters in the

House involving the business of Privy Council. If the Prime Minister feels it is appropriate to say more I am sure he will be happy to do so.

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

An hon. Member: He is right in line—yes, daddy.

Mr. Lewis: Mr. Speaker, I was perfectly aware of some of the things the minister has said, but I do not appreciate his saying them in answer to the question, which was rather carefully worded. I did not ask him to tell me what happened in the Privy Council. I asked him whether he has completed the study and whether he has already presented recommendations to cabinet. I am not asking him what the recommendations were, what the conclusions were of what happened in cabinet; I just want to know whether it was done.

Mr. Gray: Mr. Speaker, even though I do not appreciate the form of the hon. member's question, I will attempt to give him a further answer. I think I can say there will be no problem in meeting the date that the Prime Minister mentioned in the House.

LABOUR CONDITIONS

POSSIBLE WORK STOPPAGE BY PEACE BRIDGE CUSTOMS OFFICERS

Mr. P. B. Rynard (York-Simcoe): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the statement by government customs officers that there is a dispute over holiday work schedules which could stop all traffic at the Peace Bridge this Easter weekend, I should like to ask the minister what steps he has taken to prevent customs officers from walking off their jobs at the Peace Bridge, leaving everything in chaos?

[*Translation*]

Hon. Jean-Pierre Côté (Minister of National Revenue): Mr. Speaker, officials of my department and of the Treasury Board as well as representatives of the Public Service Alliance of Canada will meet later this afternoon in order to find a solution to that problem.

[*English*]

POLLUTION

MERCURY CONTAMINATION OF FISH IN LAKES ERIE AND ST. CLAIR

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I wish to direct a question to the Minister of Fisheries and Forestry. Has he been made aware of reported mercury contamination of certain types of fish in Lake St. Clair, Lake Erie and their tributaries? If so, is the contamination level high enough to be dangerous to humans, and has the source of the contamination been found?

Hon. Jack Davis (Minister of Fisheries and Forestry): The very brief answer is yes, Mr. Speaker. We have received an official report from the Ontario Research Foundation that there is mercury in certain species of fish, notably pickerel, in Lake St. Clair, and that the level of mercury is unacceptable in so far as human consumption is concerned. We have moved immediately to ban the export of these fish since all of it was going to the United States. We have determined two sources, both of them chlor-alkali plants on the Canadian side in the vicinity of Sarnia. One has finished its conversion program and the other is in the process of correcting its cleanup procedures.

PHOSPHATE DETERGENTS—INVESTIGATION OF NTA

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this is a supplementary question—you might call it related; I do not know—to the Minister of Fisheries and Forestry. In view of the widespread public concern to get phosphates in detergents replaced by a non-polluting substance, would the minister make an early statement on motions about preliminary findings of the Fisheries Research Board as to the possibilities of sodium nitrilo tri-acetate, better known as NTA?

Mr. Speaker: Order, please. I suggest the question is not supplementary and that it is only distantly related. Perhaps the minister might indicate whether he is prepared to make such a statement.

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we can make information along these lines available at a very early date.

SPORTS

MONTREAL BID FOR 1976 SUMMER OLYMPIC GAMES

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I should like to ask the Minister without Portfolio responsible for housing a question concerning the bid of the city of Montreal for the 1976 summer Olympic games. Would he please indicate to the House

whether Central Mortgage and Housing Corporation has agreed to provide up to $120 million for the construction of housing for athletes and officials of the games as intimated on page 48 of the city of Montreal brief to the International Olympic Association?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, no such agreement has been made. As a matter of fact, there has been no communication, to the best of my knowledge, with me or any of the officials of the Central Mortgage and Housing Corporation about this proposal.

INDIAN AFFAIRS

NORTHERN QUEBEC—TRANSFER OF JURISDICTION OVER ESKIMOS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. From time to time he has reported that discussions were going on between the Eskimos of northern Quebec and representatives of the government of Canada, and I think the government of the province of Quebec. Can he now give a report on those discussions, because the Eskimos are greatly aroused and fear being transported to another jurisdiction?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know that Mr. Neville, representative of the federal government, has come back to Ottawa during the weekend. He is making his report. As soon as I get it I shall be pleased to make comments to the right hon. member for Prince Albert.

[*English*]

Mr. Diefenbaker: Mr. Speaker, in view of the widespread opposition toward this move, which is almost unanimous among the Eskimos in northern Quebec, and the fact that they do not want to be removed in any way, shape or form from the jurisdiction of the federal government, will the minister give consideration to having representations made by way of a submission to the Supreme Court to ascertain whether or not the government of Canada has the power to do what it is endeavouring to do to these Eskimos who are under the jurisdiction of the federal parliament? Will he have a reference made to the Supreme Court of Canada, in order to protect the rights of these people, concerning whether such action is legal?

[*Translation*]

Mr. Chrétien: Mr. Speaker, it is a very important question. We are consulting the Eskimos, as I explained it several times. It is important to ensure that the basic rights of Eskimos regarding their language and their religion are protected. I can assure the right hon. gentleman that the aim of the policy followed by the government is to protect these rights. However, it should be recognized that these people are at the same time citizens of Quebec and this province being a part of Canada, they have rights both as Quebec and Canadian citizens.

[*English*]

Mr. Diefenbaker: Mr. Speaker, may I now ask the minister to answer the question. In view of the aroused feeling on the part of these Eskimos, will he be prepared to consider a reference to the Supreme Court of Canada to determine whether or not they can be legally turned over to provincial control, in whole or in part, against their wishes?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have already said to the House that we are considering the problem now and that we have sent a team to discuss the matter with the Eskimos. This team has returned during the weekend and will soon present us with a report. We will then tell the House what their findings are.

[*English*]

BANK OF CANADA

EXTENSION OF SUPPLEMENTARY RETIREMENT BENEFITS TO FORMER EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the fact that former employees of the Bank of Canada—and I am referring to ordinary employees, not to former governors—will not have their pensions increased under the Supplementary Retirement Benefits Act, will the minister discuss this matter with the officials of the Bank of Canada in the hope that their employees will be given the same treatment being given public servants generally?

Hon. E. J. Benson (Minister of Finance): Yes, Mr. Speaker.

FINANCE

INVESTIGATION OF OPERATIONS OF THE MINT

Mr. F. J. Bigg (Pembina): Mr. Speaker, I have a question for the Minister of Finance.

Inquiries of the Ministry

In view of the recent cases involving bribery and corruption in the Royal Canadian Mint, will the government assure the House that a thorough investigation of the operations of the Mint will be started immediately and, if necessary, that a royal commission will be set up in order that the public interest may be fully protected?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think if my hon. friend will check the record he will find that a thorough investigation was carried out immediately that the possibility of some defalcation came to the notice of the Minister of Finance. As a result, two or more persons have been prosecuted. There has been a complete reorganization of the accounting procedures of the Mint and as a matter of fact, as the hon. member knows, it is now to be operated by a Crown corporation.

Mr. Bigg: It is on that precise point, Mr. Speaker, that I wish a further investigation to be made. There seems to be some great discrepancy—

Mr. Speaker: Order, please. The hon. member should ask the question if he has a supplementary.

Mr. Bigg: Mr. Speaker, would the minister look into this matter further to find out, if such is the case, why very strong steps are being taken to discipline minor members of the Mint when half a million dollars in gold currency disappeared and apparently the real parties have not been brought to justice?

Mr. Speaker: Order. The hon. member for Cape Breton-East Richmond.

TAXATION

WHITE PAPER ON REFORM—ATTITUDE OF QUEBEC LIBERAL LEADER

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I also have a question for the Minister of Finance. Is the minister aware that the Liberal leader in Quebec is attempting to ride into office on the back of the white paper on taxation?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, lots of people, like the Leader of the Opposition, ride on the back of the white paper.

Mr. MacInnis: A supplementary question, Mr. Speaker.

[Mr. Bigg.]

Mr. Speaker: Order, please. I do not think the original question was in order and I do not think a supplementary would be in order.

Mr. MacInnis: Mr. Speaker, may I take it that the answer was also out of order?

Mr. Speaker: By all means.

WHITE PAPER ON REFORM—EFFECT ON FOREIGN INVESTMENT IN CANADA

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address my question to the Minister of Finance. In view of the fact that United States accounting firms are advising clients not to invest in Canada because of the proposed tax reforms, will the minister advise the House if and when he will be withdrawing or changing those proposals in the white paper that are driving away investments in Canada?

Hon. E. J. Benson (Minister of Finance): In the first two months of this year the exchange fund had to buy over $200 million in excess foreign exchange coming into Canada.

Mr. Speaker: Order, please. May I bring to the attention of hon. members that it might not be appropriate at this time to embark on a debate on the white paper. Quite a few members appear to be anxious to ask questions.

GRAIN

WHEAT—ALTERNATIVE TO ACREAGE REDUCTION PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister without Portfolio from Saskatoon. In view of the fact that thousands of farmers will not survive economically under the "Lift" program introduced by the government, is the government now developing alternative programs for these people?

Mr. Speaker: It seems to me we have a repetition of the question asked originally. Many members seem to be anxious to ask the same question. It has been asked on a number of occasions now. I suggest that perhaps we should go on to another subject.

EXTERNAL AFFAIRS

TRINIDAD—POSSIBLE NATIONALIZATION OF BANK OF LONDON AND MONTREAL

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister

say whether the government of Trinidad has been in touch with the government of Canada regarding the possible nationalization of the Bank of London and Montreal and, if so, have assurances been given that this would be done with full compensation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did discuss this matter earlier with the Secretary of State for External Affairs who had raised it with me. At that time we had received no information as to the mode and amount of compensation which is envisaged and this we are trying to establish. As of a few hours ago, however, we did not have it.

COMMUNICATIONS

TELESAT CANADA—LAUNCHING OF SATELLITE —IMPLEMENTATION OF SYSTEM

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Communications. We have heard a great deal in recent months from the Minister of Communications about his handling of the Post Office, but we have heard surprisingly little about Telesat Canada.

Mr. Speaker: Order. The hon. member should ask his question.

Mr. Scott: Has the minister now a definite timetable for the launching of the satellite portion of the system and for implementation of the system itself? If he has a timetable, is the program on schedule?

Mr. Speaker: I wonder whether this is not the type of question which might be placed on the Order Paper.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR MORE FREQUENT REPORTS BY BUREAU OF STATISTICS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, this question is for the Prime Minister. Due to the present six-year record of high and acute national unemployment, will his administration now ask for more frequent reports from the Dominion Bureau of Statistics indicating the week-by-week level of unemployment instead of monthly reports as at present?

Mr. Speaker: I am not sure this question is in order at this time. It would seem the hon. member is making a request of the government which would normally be done by way of a question on the Order Paper.

Mr. Alkenbrack: I have a supplementary, Mr. Speaker. It would seem to me that I could receive a yes or no answer. I just asked if he would not do so.

Mr. Speaker: The hon. member for Cochrane.

[*Translation*]

PRIVILEGES AND ELECTIONS

FOURTH REPORT OF STANDING COMMITTEE—DEFINITION OF "CANADIAN CITIZEN"

Mr. Ralph Stewart (Cochrane): Mr. Speaker, in the absence of the Secretary of State, I should like to put a question to the Prime Minister.

[*English*]

I wonder whether the Prime Minister would tell the House what the intention of the government is, particularly in view of the fourth report of the committee on Privileges and Elections, and whether or not Canada is to deem anyone to be a Canadian citizen whether he is a British subject or any other foreigner?

Mr. Speaker: The hon. member is asking a question about a matter which relates to an order now before the House.

FISHERIES

APPOINTMENT OF CHAIRMAN OF CANADIAN SALTFISH CORPORATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Now that the legislation to set up the Canadian Saltfish Corporation has completed its legislative passage through the other place, is the minister in a position to announce the name of the chairman of the corporation before the beginning of the new fiscal year? Can the minister also assure the House that the corporation will be established in time for its officers to establish our markets and market requirements for the current season?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, if the Saltfish Corporation legislation receives royal assent tomorrow, I hope we can name the chairman of the board before the end of the week.

Inquiries of the Ministry

HISTORIC SITES

PRINCE EDWARD ISLAND—REPORTED DESIGNATION OF Pprovince HOUSE AS NATIONAL SHRINE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. It is based on news reports following discussions that his Parliamentary Secretary had with ministers of the government of Prince Edward Island and specifically the report that the federal government is considering designating Province House as a national shrine. Can he advise if the Prince Edward Island legislature will still be allowed to function and also what other provincial Houses he has in mind for federalizing and enshrinement?

An hon. Member: What about the one in Quebec city?

Mr. Speaker: Order.

MANPOWER

SUMMER EMPLOYMENT PROGRAM FOR STUDENTS

Mr. David Orlikow (Winnipeg North): I have a question for the Minister of Manpower and Immigration arising out of the survey of summer employment which he tabled yesterday. I wish to ask the minister whether, in view of the finding that a very substantial percentage of the students who found employment last year were not able to find employment for the whole period for which they were available for work, and the serious effect this had on their ability to continue their education, the department is giving consideration to establishing programs to increase the possibility of providing full employment for the summer period?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Yes, Mr. Speaker, we have that point under consideration. I mentioned it in reply to a previous question that the hon. member asked. We are attempting to accelerate our program of publicity and to work with employers in every way we can to extend the period of employment. My hon. friend will realize that with such a large influx of students into the labour market as will take place this summer, it may be very difficult to provide all the students, or even a high proportion of them with full-time employment.

[Mr. Davis.]

Mr. Orlikow: I wonder if the minister would give consideration to making a statement on this subject in some detail after the Easter recess, in view of the importance of summer employment to students?

Mr. MacEachen: I would be happy to consider making a statement after the recess.

LABOUR CONDITIONS

CLOSING OF DUNLOP PLANT—EFFECT ON YARMOUTH TEXTILE INDUSTRY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, this is a related question which has to do with unemployment. Can the Minister of Manpower and Immigration tell us whether the department has now studied the effects of the closing of the Dunlop plant in Toronto on related industries, particularly the Yarmouth textile mill, and in the event of the closing of such plant can he tell us what alternative employment will be offered to the Dunlop employees and to those in related industries such as the Yarmouth mill?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Yes, Mr. Speaker. We have considered the impact of the closure of the Dunlop plant on other industries. At Dunlop we have already instituted a very large-scale effort to assist the employees, and if that plant closes it is our expectation that we will succeed in getting work for all of the employees or nearly all.

NATIONAL DEFENCE

OFFERS TO PURCHASE AIRCRAFT CARRIER "BONAVENTURE"

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of National Defence. It will be some days before we will have an opportunity to question him again so I wonder whether he could answer this question now because when we come back after the Easter recess the *Bonaventure* will perhaps have been retired. Can the minister indicate whether or not he has received any submissions from any groups whatsoever for the purchase of Canada's aircraft carrier?

Hon. Léo Cadieux (Minister of National Defence): Not yet, Mr. Speaker; we have not as yet received any worth-while offer.

FINANCE

EXEMPTION OF URBAN RENEWAL CONSTRUCTION FROM FREEZE ON DEPRECIATION ALLOWANCES

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Minister of Finance but in his absence I will direct it to the Minister without Portfolio in charge of housing. In view of the growing concern for the future of urban renewal, particularly since the tabling of the budget proposal on depreciation allowances, will the minister use his good influence to convince his colleague, the Minister of Finance, to exempt areas designated for urban renewal from the freeze on depreciation allowances?

Hon. Robert K. Andras (Minister without Portfolio): It is an interesting proposition, Mr. Speaker.

Mr. Alexander: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Kootenay West.

WATER RESOURCES

CONSULTATION WITH PROVINCIAL MINISTERS ON CANADA WATER ACT

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of Energy, Mines and Resources or his Parliamentary Secretary. Does the minister plan on calling an early meeting of those provincial ministers concerned with water resources in order to ensure as wide an area of co-operation as possible in the understanding and implementation of the Canada Water Act?

Mr. R. J. Orange (Parliamentary Secretary to Minister of Energy, Mines and Resources): No, Mr. Speaker.

IMMIGRATION

SPECIAL ARRANGEMENTS FOR EAST ASIANS IN AFRICAN COUNTRIES

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Minister of Manpower and Immigration. Are any special arrangements being made to facilitate the movement of people of east Asian origin now in Kenya and other African countries, in view of the great difficulties these people are having in finding a place in which to live?

An hon. Member: What about Yarmouth?

Report on Miscellaneous Estimates

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, over the past year or so we have been studying this question with a view to assisting the movement of any such persons. I have not checked the situation recently but I would be happy to do so and report to my hon. friend.

NATIONAL PARKS

BONNE BAY, NFLD.—OIL EXPLORATION RIGHTS—REQUEST FOR PUBLIC HEARING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a question for the Minister of Indian Affairs and Northern Development. In view of the complications which have arisen with regard to the establishment of a national park in the province of Newfoundland and the evidence of oil exploration rights, would the minister agree to hold a public hearing in the province similar to that held in Nova Scotia to ascertain the legality of such rights which are seriously hindering economic development?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, there is no need to hold a public hearing to determine whether there can be oil prospection in a park. It is a well-known policy in Canada that no prospection of any kind whatsoever can be carried out in a park. If the government of Newfoundland wants to be given a second national park, it will have to abide by the federal legislation on national parks, just as do the other provinces.

• (3:20 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—MISCELLANEOUS ESTIMATES—PROCEDURAL IMPLICATIONS OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Speaker: As the hon. member for Peace River (Mr. Baldwin) knows, the point which he raised in the House the other day was again brought up yesterday and it was agreed that the hon. member would be given an opportunity today at this time to present the submissions he has in mind.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I think that Your Honour and this House are faced with a very interesting point,

that is the extent to which the attempt by the Standing Committee on Miscellaneous Estimates to vary the supplementary estimates(B) for 1969-70 is valid and can be accepted by Your Honour and by this House now when we are dealing with the business of supply.

To start with, I suggest that this attempt to legislate by use of an estimate is most improper and should not be permitted.

Even more at fault, however, is the attempt by the committee to vary the original vote in two very material respects. In permitting this, we get away from the very wholesome restraints which the exercise of the legislative process permits us. I am amazed at what has happened here. I do not want to go into it to any extent, but certainly there must be some fault on the part of the Treasury or of the Minister without Portfolio who has been handling the particular item under discussion, namely, vote 17b which appears on page 2 of the supplementary estimates of the Department of Agriculture.

This attempt to short circuit the normal legislative process by legislating by means of a vote is wrong, but it is even more wrong to attempt to vary the result later. However, I will deal with that later since it is a question of substance. Now, I just want to stake out my claim.

What we are faced with now is the fact that the Committee on Miscellaneous Estimates purported to change in two very material respects the original vote 17b in the supplementary estimates of the Department of Agriculture. In the first instance, what was done was to change the category of persons entitled to receive the grants from those who were described as holders of permit books under the Wheat Board Act to people who are producers.

Obviously, we are referring to the Wheat Board Act, but I will not take up the time of the House by quoting from it. However, there is no question that a producer is not necessarily the same as a holder of a permit book under the Wheat Board Act. Obviously, those who hold permit books must be producers, but producers need not necessarily be holders of these permits. The words, "providing for a board of appeal to determine disputes hereunder" were added by the committee to the wording of the vote. These words do not appear in the original vote, and constitute a very substantial alteration of the purposes of the original vote as brought down with the message of His Excellency, and contained in the supplementary estimates. I would suggest that under those circumstances there is no question but that this House should not consider the amended vote in the business of supply.

However, Mr. Speaker, because this is a very serious issue I would like to ask very briefly, what are the rights of committees in this regard? I would not ask Your Honour to make a judgment at this time covering what should be the terms and conditions with regard to committees in the future but we must remember, Sir, and I think the House should remember, that we have embarked on a completely new procedure. It could be a very excellent procedure, but we must remember we have taken out from this House the old committee of supply procedure, under which there was the right to have a careful examination of estimates and the ability to move amendments. This right has been taken away, and in the result we have put into the hands of committees the right to deal with these estimates.

Now, Mr. Speaker, what limitation should be placed on these committees, bearing in mind that in the period from 1958 to 1962, some 55, 60 and 65 days were often taken by some of the eminent members of the opposition at that time in their examination of the estimates. Are the committees to be limited to the simple right to say yes or no in dealing with these estimates? Are committees possibly to have the right—this is what I would ask Your Honour to consider because committees are now involved in dealing with these estimates—to add recommendations urging the House to consider what steps can be taken, whether by a humble message to His Excellency or by a simple recommendation, to ask for permission to vary the purpose of votes or to extend the amounts?

I have been in touch with members of various committees who are disturbed over the question of what are and what are not their rights in this regard. I do not expect Your Honour, on this rather narrow point which now confronts you, to make a decision on the wider aspect which I have asked you to consider. However, I hope that during the period of the Easter Recess Your Honour would give some consideration to this, and by a proposal to the Committee on Procedure and Organization, or by a statement in this House, be of some help to the Standing Committees that will be dealing with these estimates after the recess. I shall have something more to say after we get into the actual business of

supply, but I wanted to make this narrow observation at this time on this point that confronts Your Honour.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because the point of order seems to me to be so clear, I shall take only a minute or two of the time of the House. I refer to the basic point of order that is before us, namely, as to whether or not a standing committee of the House can propose an amendment to a money vote which alters its purpose in any way.

Without reading it in full, I draw attention to citation 250(4) of Beauchesne, on page 216 of his fourth edition, which reads:

> The fundamental terms of a money resolution submitted to the House with the Governor-General's recommendation—

and so on

> —cannot be amended.

Then I also draw attention to the important words in citation 246(3) on page 207, part of which says that once a financial initiative has been indicated it lays down once and for all the conditions about that charge. Then, I quote specifically these words:

> In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

That citation goes on to say that, of course, a minister could move for a change, but in doing so he would have to secure the Royal recommendation. All in all, Mr. Speaker, because Your Honour raised some question about this the other day from the Chair, and in view of the points raised by the hon member for Peace River (Mr. Baldwin), it seems to me that the case is so clear that one does not need to argue that the change proposed by the committee is not within its competence.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, to add to the unanimity of opinion, I wish to make a reference to Standing Order 58 as decided upon by this House in December, 1968. I draw particular attention to Standing Order 58(4) which refers to the requirement that written notice shall be given in dealing with estimates. I think there is some importance to be attached to the recital in that section of the various acts that must be preceded by notice, that is, a motion to concur in estimates, or a motion to restore or reinstate any item in the estimates. Again, looking at paragraph (10) of the same Standing Order, we also have a reference to the motion to concur in, or a motion to reinstate any item in the estimates. From that, and in the light of the citation cited by the hon. member for Winnipeg North Centre (Mr. Knowles), I would argue that it is not within the power of the Standing Committees, when they are considering either final supplementary estimates or main estimates on an order from the House, to do anything other than concur in or reject those estimates.

Mr. Knowles (Winnipeg North Centre): Or to reduce them.

Mr. Macdonald (Rosedale): Or to reduce them. In particular, I would argue that the proposal put forward in the fourth report of the Standing Committee on Miscellaneous Estimates would not be in order because there is not the additional recommendation from the Crown with regard to these particular items.

I submit that the standing committees in exercising their scrutiny of the estimates can do no more and no less than the committee of supply could have done before the amendments to the Standing Orders, and therefore that this section of the committee's report is not in order. On that basis, while it can be said that the opportunities for members of the standing committees have greatly increased, because they have the opportunity of examining both the minister and his officials and at greater length than was the case previously, the actual juridical effect of their examination can be no more and no less than was the case with the old committee of supply, that is to say, either to adopt the estimates, reduce them or reject them altogether. I would say that is confirmed by the Standing Orders when we changed them in December, 1968, indicating the very limited number of ways in which estimates could be changed.

I might indicate that after consultation with the Table the President of the Treasury Board (Mr. Drury) put forward a motion, which is the third item under Order No. 1 on today's Order Paper, and I quote:

> Consideration of a motion of the President of the Treasury Board concerning Votes 17b (Department of Agriculture) and 36b (Department of Industry, Trade and Commerce) of Supplementary Estimates (B) for 1969-70.

I should make it clear that this was put forward only out of an abundance of caution, in the event that the committee report was

accepted and it should then be found necessary to restore or reinstate the items as put forward by the House. Of course, if Your Honour finds the report was in effect invalid, and therefore a nullity in respect to the amendments it proposes to make, it would not be necessary to put that particular motion, and the President of the Treasury Board would be seeking the consent of the House to withdraw it. On that basis, I would agree basically with the principle cited, that the report in this form should not be accepted by the House, and what we have before us is really the consideration of the Supplementary Estimates (B) for the fiscal year ending March 31, 1970, as originally tabled in this House.

• (3:30 p.m.)

Mr. Speaker: I thank hon. members for their views. The fact that there is unanimity among those who have participated in the procedural discussion makes it easier for the Chair. In fact, for a moment, I wondered whether there was any point in giving a decision but I think it is probably wise to make a ruling based on the advice of hon. members who have taken part in the discussion and who have agreed on a conclusion. As hon. members know, the procedural point was raised last Friday and I indicated then that I had serious misgivings about the procedural aspects of this matter. I have had an opportunity to review it since then and my conclusions coincide with those we have heard during the last few minutes from the hon. members who have taken part in this discussion. It is hardly necessary to remind hon. members that paragraph 1 of the Fourth Report of the Standing Committee on Miscellaneous Estimates reads in part as follows:

> Delete in vote 17b, on page 2, the paragraph intituled "Grants", and substitute the following therefor:

The report goes on to rewrite in substantial manner vote 17b of the supplementary estimates (B). It is not necessary, I suggest, to compare in detail the terms of the committee's proposed recommendation with that of the original estimate to establish the fact that a change of substance has been suggested by the committee. In its recommendations, the committee has proposed an alternative to the proposal recommended to the House by His Excellency. No principle is more surely provided for by our constitution and our Standing Orders than that which provides that the Crown alone initiates financial proposals.

[Mr. Macdonald (Rosedale).]

In this regard, section (1) of Standing Order 62 reads as follows:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

In the same regard, section (3) of citation 246 of Beauchesne's fourth edition reads as follows:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down once and for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge. And this standard is binding not only on private members but also on ministers whose only advantage is that, as advisors of the Crown, they can present new or supplementary estimates or secure the royal recommendation to new or supplementary resolutions.

Along the same vein, may I refer to section (3) of citation 244 of Beauchesne's, as follows:

> Amendments proposing, in a money resolution, to substitute a loan for a subsidy; to change the destination, purpose and conditions of a subsidy; attaching a condition to a subsidy; affecting the ends and provisions of a subsidy, must be moved by a minister with the recommendation of the Crown.

There are a number of other citations that can be brought to bear on the same question, but I do not think it will be necessary for me to do so at this stage. It is not competent, I suggest, for the House or any committee of this House to substitute a financial provision in an estimate for one which has been recommended by His Excellency.

For the foregoing reasons, I must decide that the report of the Standing Committee on Miscellaneous Estimates presented to the House Thursday, March 19th last, is a nullity and that no subsequent proceeding may or need be taken in relation thereto.

In view of this decision I assume hon. members will want to give thought to the suggestion made by the President of the Privy Council, although the request would have to be made, I assume, by the President of the Treasury Board.

Hon. C. M. Drury (President of the Treasury Board): In the light of what you suggested, Mr. Speaker, I think the House would be prepared to give unanimous consent to the withdrawal of this motion from the Order Paper.

Some hon. Members: Agreed.

SUPPLEMENTARY ESTIMATES (B), 1969-70

Hon. C. M. Drury (President of the Treasury Board) moved that the supplementary estimates (B) of sums required for the service of Canada for the year ending on the 31st March, 1970, placed before the House on March 5, 1970, be concurred in.

Motion agreed to.

Mr. Drury thereupon moved that Bill C-200 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1970, be read the first time and printed.

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask if it has been printed? Since I am now receiving the bill, that is fast service.

Mr. Drury thereupon moved that Bill C-200, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1970, be read the second time and referred to the Committee of the Whole.

Mr. Speaker: The hon. member for Peace River.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am going to launch into the icy waters of the second reading of this bill as free from care as was the Humble Oil Company when it sent the *Manhattan* into the Canadian Arctic.

Mr. Drury: Not as powerful, though.

Mr. Knowles (Winnipeg North Centre): I hope you are not going to engage in any polluting.

Mr. Baldwin: I see I made a mistake in attempting to be facetious, Your Honour. I have too many assistants here.

It will be my intention, at the conclusion of my remarks, to move an amendment to second reading. I have it before me and it will shortly be before the House but I have some observations to make. An examination of the bill indicates that attached to it as a schedule is the detail of the supplementary estimates (B). On behalf of this party, I must take exception to the bill and move an amendment for reasons which I hope will commend themselves to hon. members of this House. I direct my remarks particularly to the item which Your Honour just disposed of, item 17b of the Department of Agriculture, the details of which are set out further on in the estimates.

I want to make it abundantly plain, on behalf of this party, Mr. Speaker, that we are greatly concerned by the action of this government, in fact of any government, in attempting to use a vote on the supplementary estimates for the purpose of enacting what are in fact legislative proposals. We have been veering more and more toward that practice for the last three years. It is a very dangerous practice and a serious situation can be created where any motley collection of tinsel autocrats and sawdust Caesars, through the use of this method, would be able to virtually impose their financial will upon this Parliament and the country without the safeguards which are so essential to the legislative process. To see this done is bad enough but to see what has been done in this particular case is even worse. Thinking a particular vote did not contain that which was essential, the government attempted to amend it in committee. This bill, I think, brings into question the provisions of the schedule containing the supplementary estimates. I suppose one could say I am anticipating rebuttals to my argument, because some will no doubt say that there is no real principle to an appropriation bill. Nevertheless, the present provisions of the bill call into question every item of the estimates contained in the schedule, and that alone justifies the proposition I am trying to place before the House.

• (3:40 p.m.)

Here, the government has said, "We are going to spend $100 million on what we will call the wheat inventory acreage reduction program," and the Minister without Portfolio made a statement to the House. Subsequently, when the supplementary estimates were brought down, we found that Vote 17b was a legislative item in disguise. It is unfortunate that this legislative item should appear in this form. Actually, the government has three methods by which to legislate on this subject. The vote in question purports to give the

Governor in Council the right to enact legislation. I have objected in this House on many occasions to the idea of improper legislative items giving to various bodies the right to enact regulations which will grant very considerable powers, but when the government attempts to do this through a vote in the supplementary estimates it is even worse.

This practice has been condemned by political writers, by hon. members in the House and by people in many areas of the world. The government's attempt to secure the approval of this House and Parliament by this method is a shocking abuse of its powers. In addition to that, as has been pointed out recently in the other place and as I have indicated myself, it is very likely that this vote may attempt to invoke the provisions of the Canada Wheat Board Act. That act is limited in scope and dedicated to marketing grain in this country, and any attempt to defy the announced purposes and objectives of that act through this particular vote is iniquitous. The House should seek in every way possible to show its disapproval of this particular measure.

If Parliament had the machinery which was requested in October when the Committee on Statutory Instruments filed its report, and if there could be a careful scrutiny of this matter by the Minister of Justice (Mr. Turner) as well as by a committee of this House, I should feel much easier. But this vote, which seeks in this legislative form to give the government the right to spend $100 million, is so iniquitous that I can only express our views on it by moving an amendment, which I shall shortly propose. If accepted, the amendment would retain the vote but compel the government to bring in legislation to deal with this item.

Since the House first met last October, the government has known of the very serious situation in western Canada and appropriate legislation could have been introduced at any time if there had been discussions through the normal channels. Having examined the legislative record of the government during the last few weeks, I do not see why the minister or the government should now say, "We must proceed this way because there is not adequate time to do anything else." That does not answer the objection to the government's action in attemping to force this measure through this way. My views are reinforced by something very similar that happened in this House a few years ago.

I should like to refer briefly to Debates of the House of Commons of Canada for the

1964-65 session, Vol. XII. At page 13131 of that volume is to be found an exchange involving the right hon. member for Prince Albert (Mr. Diefenbaker), the house leader of this party at that time, Mr. Churchill, and the present Solicitor General (Mr. McIlraith) who was then the government house leader. The government house leader at that time was attempting to secure the passage of supplementary estimates which contained items comparable to the item about which we now complain. At that time, the right hon. member for Prince Albert raised the issue that has been raised today and was supported by Mr. Churchill. The government house leader then said he would be happy to accept the proposals made and admitted that it was not right to attempt to legislate in this way. The government withdrew the items in question and undertook to bring in legislation at a future date.

I will not read from the report, Mr. Speaker, but what happened confirms the correctness of the stand our party has taken. I, therefore, propose to move the following amendment at this time, seconded by the hon. member for Prince Edward-Hastings (Mr. Hees):

That all the words after "That" be deleted and the following added.

'this House declares that the bill contains a principle repugnant to this House inasmuch as Vote 17b of the Department of Agriculture, Supplementary Estimate (B), 1969-70, subverts the Message and Recommendation of His Excellency for the grant of supply, detailed in the Vote for the purpose therein specified, by attaching thereto terms and conditions which usurp the legislative function of Parliament and arrogate to the government an absolute discretion to distribute all or so much only of the said grant as the government sees fit and without regard to the principles of justice and equity and without a right of appeal by any farmer who may be aggrieved by the amount of any payment or by the refusal of payment to him.'

I submit this is a reasoned amendment by which I, on behalf of my party, indicate that my party has a special reason for not agreeing to the second reading of the bill. The amendment declares our opposition to the principle of the bill and its provisions. It is in that sense that I have moved it.

• (3:50 p.m.)

Mr. Speaker: I ought to say that the Chair has serious reservations about the procedural acceptability of the proposed amendment. I should like a few minutes to look into the matter further. However, at first blush, I fail to see how this reasoned amendment, if it is a

reasoned amendment, opposes the principle of the motion now before the House. The hon. member for Peace River knows better than I that the basic principle of a reasoned amendment is that it has first to oppose the principle or give reasons why the House is invited to vote against the motion which is before the House. This is the reservation which I have.

I would be very grateful if hon. members would guide the Chair and give advice on which I could base a decision at this time. If we were operating under other circumstances, I would tell the House I would give further consideration in the next hour, next few hours or wait until tomorrow, but we are under considerable pressure. I think hon. members would prefer that we go on with the substance of the matter referred to by the hon. member rather than have an extended procedural debate on the point. In any event if hon. members have views they could express briefly on the procedural aspect of the matter, I could hear them now.

Mr. Baldwin: Might I just add a few words on the procedural aspect, and then I will leave myself a sitting target for other hon. members. I realize the difficulty with which Your Honour has confronted me. On the other hand, Your Honour must recognize that an appropriation bill does not contain a principle, although when an appropriation bill has items of this kind in my opinion it completely lacks principles.

In any event, my submission is that we can interpret this measure in such a way that every vote in the estimates, which appear as a part of this schedule, must be read as part of the whole bill. Consequently, the operatives clauses in the bill must be applied to each vote in the estimates, in this case the supplementary estimates, which appear in the schedule. In that sense, I and members of my party object strenuously to this or any other attempt to legislate by a simple vote in the estimates, particularly one which is so obnoxious because of its reference to three different ways by which the Governor in Council can make regulations prescribing the way in which the moneys are going to be paid. Our only method of opposing this practice is by means of a reasoned amendment which states that we object to this principle. I will be frank. I can find no precedent for and no precedent against this method which leaves the matter directly in the lap of Your Honour.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, old timers know I am a veteran of the war against dollar items. That appears to put me on the side of the hon. member for Peace River.

Mr. Baldwin: The side of the angels.

Mr. Knowles (Winnipeg North Centre): But I must say I am not really on his side in this particular respect. I wish also to say that my colleagues who represent rural constituencies in western Canada have authorized me to say they are against the Lift program. That, too, appears to put me on the side of the hon. member for Peace River.

However there are a couple of comments I wish to make. My opposition to dollar items is that in most cases they seem to import into a money bill legislation that may have no relation to money, or that does not call for the voting of money. We have often felt that these dollar items were devices to obviate the necessity of a piece of legislation standing on its own. In the case of this Lift program what is before us is not a dollar item, but a $100 million item. Money is involved. I do not think it is quite as foreign to a supply bill to put in a $100 million item with terms and conditions as it is to put in a dollar item.

Let me say again that my colleagues and I are against this $100 million Lift program. I am speaking procedurally, not in terms of substance. It seems there is that difference. I know this is said sometimes when we complain about dollar items, but we must remember that a supply bill is a bill. It is an act of Parliament. It is a form of legislation. I still think that dollar items are repugnant. They are as repugnant as omnibus bills sometimes are. There was one such bill in recent days which we did not like because two or three intems were included in the same bill.

Having said that, may I try to come to Your Honour's assistance by suggesting that I think that what the hon. member for Peace River has placed in this amendment is not so much an amendment as a point of order. He is arguing in his amendment that the government has no right to introduce item 17b, set up this Lift program and attach the terms and conditions to it. I am repeating ad nauseam that my colleagues will oppose the program. As a matter of fact, they want to get on with this job. They told me not to take too long on this procedural point because they want to get at the Minister without Portfolio and have a real go at the Lift program.

Some hon. Members: Hear, hear!

Supplementary Estimates

Mr. Knowles (Winnipeg North Centre): The applause I am receiving indicates I had better cut this short. I am pleased to do so. I reserve my right to continue the fight against dollar items during the months and years ahead. But if the government has decided on this piece of legislation, which involves both terms and conditions on the one hand and money on the other, it is pretty hard to say it is out of order to bring it in through the medium of his bill.

It seems that the interesting amendment of my hon. friend for Peace River is more a point of order than an amendment. I think Your Honour will probably have to rule that the bill is in order, now that item 17b is being left as it was originally. If Your Honour does so rule and we get into Committee of the Whole on the bill and get to the schedule, then my friends around me will say what they think about the Lift program.

Mr. Speaker: I thank hon. members for their advice on the very interesting amendment proposed by the hon. member for Peace River (Mr. Baldwin). My original reaction of course was that there was something that did not appear to be right. Perhaps even the comments made very generously by the hon. member for Peace River indicate that this is a novel attempt to get at a motion of this kind.

I believe even if we are operating under new rules, the principles which must guide the Chair in connection with reasoned amendments are the same. The reasoned amendment must oppose the principle of the bill. I refer hon. members to May's 17th edition, page 527, paragraph (2) and page 528, paragraph (3):

> An amendment, which amounts to no more than a direct negation of the principle of the bill, is open to objection.

It seems that the amendment which the hon. member has proposed to the House at the present time declares itself in principle, but is not opposing the motion which is before the House in the sense it would be opposing the principle of that motion. I have very serious reservations. It seems we would be opening the door rather wide if this kind of amendment to this motion were accepted at the present time. I can assure the hon. member that I will give the matter further thought. I would be prepared on some other occasion to give further consideration to an amendment such as this; I would be in a better position to accept it or refuse it having given the matter additional study. On the basis of the limited thinking I have been able to do, and on the strength of the views expressed both by the hon. member for Peace River and by the hon. member for Winnipeg North Centre, I would think that the amendment should not be put to the House.

[Mr. Knowles (Winnipeg North Centre).]

• (4:00 p.m.)

Hon. Otto E. Lang (Minister without Portfolio): I think it would be appropriate for me to say a few things in response to the hon. member for Peace River (Mr. Baldwin) concerning the item to which he has referred in seeking to move his amendment.

I believe the House appreciates that it is not by any means a minor item but that it represents in fact, a significant expenditure proposed on behalf of the people of Canada in the interest of the agricultural community of the west. The hon. member for Peace River chose to look to the form of the proposal and said it was iniquitous for us to use this form to pay to the farmers of the prairies the proposed $100 million in connection with the LIFT program. The hon. member has apparently missed the point. The totality of the LIFT program is by no means comprised in this item. The item contains the payments to farmers which it is proposed to make in connection with an acreage adjustment plan. It was apparent to us that this represented an extremely important matter for the prairie region.

Mr. Baldwin: On a point of order, Mr. Speaker. I would be delighted if the minister had been allowed to speak on my amendment, had it been put, but it seems to me he is speaking on an amendment which Your Honour ruled could not be put. There is some question, therefore, as to whether the minister can proceed.

Mr. Speaker: I must say I have serious reservations about the procedure we are now following. I thought the minister's comments perhaps were of an introductory nature and that he would return to the consideration of the motion which is before us at the present time. I have to remind the minister that the proposed amendment was ruled out of order and that what we have before us now is a motion for second reading. I wonder whether it would not be better procedure, if the House agrees, for this debate on the item in question to take place in the committee of the whole once there has been agreement to accept the motion and the matter has been referred to the committee.

Mr. Macdonald (Rosedale): Surely, Mr. Speaker, on the second reading of an appropriation bill it is appropriate to talk about any item in the appropriation bill and it cannot be out of order for the minister to talk about an item in a general way or explain the policy which the government may be following in that regard.

Mr. Lang: On the same point of order; although I was referring to certain things that had been said by the hon. member for Peace River it was my purpose to talk generally about the item, not to discuss it specifically in relation to the amendment which was so properly ruled out of order by the Chair.

Mr. Speaker: The point raised by the President of the Privy Council is well taken. It was my understanding there had been agreement that this debate would be—

Mr. Macdonald (Rosedale): No.

Mr. Speaker: The minister says no. I may say I had already reached that conclusion when I heard him raise his point of order. The minister now has the floor and may make his contribution to the debate on the subject he chooses. I am informed, now, that other hon. members are anxious to take part in the discussion and deal with other points.

An hon. Member: It is wide open.

Mr. Knowles (Winnipeg North Centre): But is it not one of our rules, Mr. Speaker, that on second reading we should not refer to particular clauses of a bill? Are we not running afoul of that rule if a debate is permitted on just one item in the schedule. What I am trying to do, I suppose, by raising a point of order, is to make an appeal to common sense. Would it not be better to give the bill second reading, get it into committee, come to the schedule and then have a full debate on item 17b, at which time the minister can make the speech he wishes to make now.

Mr. Macdonald (Rosedale): The hon. member of Peace River chose to take the opportunity on second reading to open the debate on this question. It is fairly generally accepted, under our parliamentary procedure, that debate implies an opportunity for the minister to reply to what has been said. The remarks of the hon. member for Winnipeg North Centre might have been apropos had he uttered them while the hon. member for Peace River was speaking, but it seems to me that on the basis of reciprocity the minister should now be allowed to make his statement.

Mr. Speaker: I cannot agree with the position taken by the President of the Privy Council. The question was raised as a point of order and the minister had the opportunity, had he wished to take it, of speaking on the point of order. He did not participate in that discussion and the amendment was ruled out of order. The President of the Privy Council now suggests that the minister has the right to continue the discussion of the subject which was raised by way of a proposed amendment on the part of the hon. member for Peace River. I do not believe that would be the proper procedure.

I suggest to hon. members I was right in the first instance when I said he could not at this point engage in a discussion of the clauses of a bill. That is a basic rule of debate. When a motion for second reading is before the House we can debate in a general way the principle of the bill but not the clauses in detail. This is why I have some qualms about allowing a discussion at this stage on a particular aspect of the measure itself. I think it would have been better procedurally if there had been a debate, should one be required, on second reading, on the general principles, whatever they may be, followed by a detailed discussion of the particular clauses and schedules at another stage.

It is a little difficult to determine what might be said at this point if we are to limit ourselves entirely to the principle of the bill, which is a money bill. The point raised by the hon. member for Winnipeg North Centre is well taken. I agree fully with him. At the same time, if there is to be a general debate I would find it difficult to rule that hon. members cannot refer in any way to the details of the bill before us. So, perhaps the minister would endeavour to limit his remarks as much as possible to the question of principle. If he wishes to consider particular clauses in detail, that would better be done in due course when we are in committee.

Mr. Lang: Thank you, Mr. Speaker. I will certainly try to limit my observations to the general principle of the bill. As Your Honour has pointed out, a money bill has some peculiarities in that regard. So, while addressing myself to what is, no doubt, the most important part of the bill in many ways, I propose to refer to the general program involved in this one particular item.

This particular set of estimates contains provisions which are extremely important to the prairie farmers. I want to take this opportunity, in the presence of hon. members

assembled in the House, rather than in committee, to point out that some of those who sit on the benches opposite have been misled, perhaps into thinking that this particular item in the estimates represents the totality of government programs in this field. It may very well occur that there are government programs which are ongoing or capable of implementation in other ways in conjunction with the required expenditure of money. This is certainly the case in connection with the matter before us today.

• (4:10 p.m.)

As an example of that principle, I want to refer to the fact that the program which the hon. member for Peace River discussed, the "lift" program, has in fact a major portion of its implementation in the general law of the land. Under regulations made in connection with the Wheat Board Act, the most important part of the program can in fact be put into place. The whole of the quota system, as an example, is in fact authorized to be put in place under the Wheat Board Act itself. This is what the government intends.

When the program was announced, the intention of the government along these lines was made clear. The expenditure of the $100 million, which has been referred to on previous occasions by the hon. member for Peace River as a shabby amount and I think by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) as a small crumb, is important and, of course, has to be included in the estimates themselves.

The authority to pay the money in conjunction with the program, as I indicated, is found in part elsewhere in the law. It is important for members to appreciate that, in this fashion, the expenditure of money which is of vital importance to the program, can accompany a program for which authorization is found elsewhere. This certainly puts to nought, if I may simply say that, the arguments which have been heard from time to time about what should or should not be included in the substance of an item in the estimates.

In a case like this, as an example, the vote of the money here is a very important part of the program, but it is certainly only auxiliary or ancillary to other parts of the program which can be put into place under the law generally.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as I understand it, we are now permitted to make general remarks on

[Mr. Lang.]

programs of the government. I wish to take this opportunity to speak briefly about matters that were under very heavy discussion last week, specifically inflation and unemployment, and what the government's programs have done to make these situations considerably worse.

A week ago Sunday night, all of those who were watching the CBC television news were very surprised to hear the Minister of Finance (Mr. Benson) disclose the latest chapter in the government's four year effort to curb inflation. At that time the final plans of his government, which claims to be a modern government using computers and a lot of bright young men who fill the Prime Minister's office called modern thinkers, was disclosed.

We were amazed to hear the Minister of Finance, in his disclosure of the government's present plans to curb inflation, disclose a plan that has been in operation in various countries throughout the world for literally hundreds of years. This government of computers and bright young men is now going to fight inflation by that age old process of slowing down the economy by restricting credit. That has always been followed in every country where it has been tried by workers being laid off. When they get hungry, these workers are willing to work for less. This brings costs down, prices fall and the country concerned considers that it has licked inflation.

We heard the Minister of Finance say very clearly on television the other night that this government considers it may be necessary to have higher unemployment in 1970 than it had in 1969, if, in his own words, we are really going to lick inflation. So there you have the policy of this government. After four years of failure in its efforts to curb inflation it is finally going back to policies that have been in operation for hundreds of years. It is finally admitting that the best the so-called just society can produce is that great reactionary and harsh policy of growing unemployment, growing misery and growing hardship, which has been in use for so long.

Let us examine for a moment this government's programs for fighting inflation in the past four years. During the first three of those four years it resorted, in various budgets, to increasing taxes, which did not work. The cost of living kept increasing year by year at a steadily accelerating rate. Finally, after three years of increased taxes the government decided this method was not effective.

Then, last June the government tried another method of fighting inflation. The Minister of Finance told us that the government plan consisted of slowing down construction over the next two years in the three most wealthy provinces, Ontario, Alberta and British Columbia, by withholding the 5 per cent capital cost allowance to builders in order to persuade them not to build for the next two years. The government forgot to take one important matter into consideration. The builders knew very well that building costs in Canada were going up at a rate of 12 per cent per year. Through a very simple process of arithmetic they knew that if they put off building for two years and started again two years later it would cost them 24 per cent more to build the same building at that time than it would today. They decided this was not good business, that is to increase costs in two years by about 25 per cent in order to save 5 per cent for two years. So, the builders simply laughed at the government and went right on building. That program proved completely worthless.

The other program the Minister of Finance announced last June was equally ineffective. He told us on the night he presented his budget that the Kennedy Round tariff reductions, which were originally supposed to be spread over the next three years, would become effective that very night. He said this lowering of tariffs on a great number of items would increase competition in Canada and lower the price of goods, thereby slowing down the increase in the cost of living and the rapidly rising inflation.

Once again, the government forgot one very important factor. It did not have any way available to require importers to pass on the savings to the consumer. I refer to the savings resulting from removing the tariffs. So the importers did exactly what the builders did. They simply laughed at the government. They did not pass along the tariff reductions; prices did not come down, prices kept going up at an ever-increasing rate. Once again all importers, as has been the case in respect of the construction men, simply laughed at the government.

• (4:20 p.m.)

How do we account for the action of a government in passing a budget which contains a measure that any businessman, had he been consulted, could have told them would not work. By passing this budget, the government made itself a figure of fun. It has lost the respect of the business community of Canada because when one mentions this government and its programs to businessmen, they either swear or laugh. Neither is good for the maintenance of the respect a government should receive from the people of the country. The people in the business community know this government is not a business government. One might ask why a government would pass a budget which contains these measures for fighting inflation which will prove to be absolutely worthless. Mr. Speaker, the answer is that this government is run by four men who, by no stretch of the imagination, are businessmen.

These four men are the Prime Minister (Mr. Trudeau), the Secretary of State (Mr. Pelletier), the Minister of Regional Economic Expansion (Mr. Marchand) and the Minister of Industry, Trade and Commerce (Mr. Pepin). These gentlemen are very nice men to meet and are charming men to whom to talk. In their own fields, I am sure they are very good and were very good before they entered government. Three were professors and one was a labour leader. I am sure they all did their jobs extremely well in the fields in which they were. But these men do not understand plain, ordinary business principles. These are the men who decide what the government is and is not to do. This is not done in an official way. This is the type of consultation that is carried on in any government by a group, usually of five, six or seven persons, which controls the government. These are the men in the government who quietly decide the direction in which the government is to move. This is not done officially. It is just one of the things that happen in every government.

These four men who run this government do not happen to be businessmen. They do not understand business practices. They have taken a completely impractical approach to the business affairs of this country. Most of the things a government has to deal with today are economic matters; yet, they are being dealt with by men who do not understand business and how it operates. So, the country is in a very serious situation. This is the situation which caused the present member for Trinity (Mr. Hellyer), the then deputy prime minister and a veteran of several governments, to resign his portfolio and become a private member. He simply could not stomach the impractical methods by which the government was operating. So, he stepped aside. Last fall, having had various failures on its hands and seeing the cost of living rise steadily at an ever-increasing rate

year by year, the government tried another tactic; it appointed the Prices and Incomes Commission to control inflation. The program of the Prices and Incomes Commission to control inflation is now, and will be in the future, no more successful than the other measures the government has adopted.

There are three reasons that the program of the Prices and Incomes Commission is failing and will fail. First of all, the commission brought management together and persuaded management to agree not to raise prices by more than their increases in cost. But this was a gentleman's agreement. No penalties were to be imposed on those who did not conform to this agreement. Anyone who has been a businessman and who has had experience with businessmen knows that in business there is no such thing as a gentleman's agreement. That does not mean there are not a great many gentlemen engaged in business. Of course there are, but if an agreement is to work everyone must live up to his commitment. All it takes is one rotten apple in the barrel to make all the apples go bad. As soon as someone does not live up to the commitment, everybody else decides that since the commitment is not being lived up to they will not live up to it. No penalties are provided in respect of those who do not live up to the agreement management made with the Prices and Incomes Commission, and through that commission with the government, a few weeks ago.

Second, as was demonstrated yesterday, the leaders of organized labour have said clearly that they do not intend to limit their wage demands in any way. They say they will not do so for a very good reason. They say the government's program is doing two things; it is causing inflation to rise to record levels and at the same time is causing unemployment to go up to the highest level it has reached in six years. They say they will have no part of a program that is doing what they consider to be the wrong thing. So, they have made very clear to the Prime Minister and the cabinet that they will not co-operate and will not restrain wage demands.

The third reason the Prices and Incomes Commission program will not work is that management is permitted by government to increase prices by the amount of its increased costs. Its increased labour cost is a perfectly logical and fair increase in cost and therefore labour is quite free, so far as the government is concerned, to increase its demands by just as much as it wishes or as much as management will agree to, and management will add these labour cost increases to its other increases in cost and will be justified in raising prices by that amount.

These are the reasons the cost of living last month, as disclosed as recently as last week, went up by a record amount. The cost of living has gone up 5 per cent over a year ago. Every indication is that it will continue to go up at an equally accelerated pace in the future. This is because the approach of the Prices and Incomes Commission is a simply unworkable approach; it is an impractical approach; it is an approach which any businessman, had he been asked about it, could have told this government is an impractical approach. Once again this government is making itself a laughing stock. People are losing respect for the government. Any businessman would ask how in the world this government thinks it will be able to control prices in the way in which it is trying to do it.

• (4:30 p.m.)

This latest plan of the government which will increase unemployment is a harsh, cruel program which has been used for hundreds of years. Why it should be used by this so-called modern government is something any person with decent feelings would find difficult to understand. It is difficult to understand the willingness of this government to go ahead with a program of this kind. But to the Prime Minister it seems that unemployment is not misery, hardship and despair. This is apparent when he is asked questions about what the government intends to do to stop the rising rate of unemployment. He greets your questions with a wisecrack and a sly smile. The closest the Prime Minister has come to poverty was a year or so ago when he was taken down to see a housing development in Montreal. He spent a few minutes there. The people who gathered to see him asked him a few rather difficult questions that he found very hard to answer. He did not like the atmosphere. He turned on his heel and left. That was his only appearance in anything approaching an area where poverty exists.

A few days ago the Prime Minister returned from a six day trip to the Arctic. He enjoyed himself very much. He had a first-hand look at the living conditions of our Eskimos and our Indians. Today, I asked him if he intended using the same period of time to visit, as soon as possible, the slums of our larger cities to ascertain firsthand the conditions of those living below the poverty level.

He did not even deign to answer the question. The answer, of course, was no. What is the difference between the Prime Minister spending six days in the Arctic and six days finding out how people in poverty live in this country? The answer is that it is very pleasant to go to the Arctic, especially when you are accompanied by hosts of photographers, reporters and television cameras and you can get all dressed up, pose with Eskimo girls, beat drums, dance, and have pictures of you flooding back to the newspapers of the country and the television screens all across Canada. But slums make a very poor background for television cameras, for news pictures and for stories that come back. Poverty is a very unpleasant thing to look at—it is not very pretty. The Prime Minister did not think he would like to have the photographers down there taking pictures of the conditions existing in the just society that he and his government said they were going to create. So, he simply pretends that poverty does not exist. He looks the other way.

That is the kind of Prime Minister we have developing this so-called just society. That is why to him unemployment is just a statistic.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but I am afraid his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Is there unanimous consent to allow the hon. member to continue?

Some hon. Members: No.

Mr. Hees: It just so happens that I had finished my remarks. Thank you all the same. It is kind of you to give me that consideration!

Mr. Dinsdale: The government does not want to hear about poverty.

Mr. A. P. Gleave (Saskatoon-Biggar): I should like to say, with regard to this bill and the moneys it provides, that significant amounts of this money affect the people in the constituency which I represent and indeed the people all across western Canada. In making his brief comments, the minister said that he wanted to take this opportunity to point out some things to members who have been misled regarding certain facts related to these estimates and this bill. Having been out in Saskatchewan, it seems to me that if the minister thinks members of this House were misled, speaking in the vernacular, "he ain't seen nothin' yet". He was out in Saskatchewan, as I was, and if he listened as I did he should have found that a great many farmers believe that they were misled. In other words, they thought they were being led down the garden path.

When we look at the estimates contained in this bill we have to consider their purpose as stated by responsible ministers. The Minister announced that $100 million would be made available as an income supplement which would see the western farmers over the hump. When we look at this program closely, we find that there is no firm undertaking to spend $100 million. Indeed, if we consider whether that amount of money is going to be spent we must realize that the restrictions on the farmers are such, and the proposals inherent in the statements of the responsible minister are such, that many farmers will be prevented from taking part in this program. Of course, that may be just as well, because if enough of them took part in the program to achieve the declared intention of the government, that is taking out of wheat production 22 million acres in western Canada, we might very well be headed for a considerable disaster. But I do not think it will happen and the good common sense of the farmers will prevent such a catastrophe.

This proposal affects the livelihood of approximately 190,000 permit holders in western Canada. It is one thing to pass legislation which would permit these people to either take advantage of such a program or stay out of it, but it is another thing to propose a plan which does not give this large number of farmers a real choice. This is the point at which this bill goes past the ordinary prerogatives of the government. The government may have advisers who think that they have within themselves the knowledge to plan production on the individual farms in western Canada and to tell the individual farmer what he may or may not do. They propose to send inspectors to his farm to see that he does what he is supposed to do, and to see that he does it in the way in which it is supposed to be done. But I suggest that any department or any group of men or women who think they can undertake such a task are indeed taking a great deal upon themselves.

The hon. member who spoke just before me mentioned the difficulty of ensuring that a certain group of businessmen do a certain thing, but when you deal with a group of businessmen you are dealing with a relatively

small group of men who control a great amount of resources. In this case, however, we are dealing with a numerically large group of farmers which makes it very difficult to ensure the achievement of the desired result from this program. The regulations will be promulgated in due course, so we are told, and the farmers will have to live with those regulations, whatever they are. But so will the businessmen have to live with them, Mr. Speaker, and the businessmen are serving those farmers. The downturn which will occur in the economy, as a result of the restricted spending in that prairie region, and in Saskatchewan in particular, cannot even be calculated. Already we find a serious slump in that prairie region, and in particular in the centre of that region where this program is expected to have its major effect. This is the thing that has been overlooked in connection with the program.

• (4:40 p.m.)

Agriculture is the strongest economic base in the three prairie provinces. Instead of reducing income from agriculture, we should be reinforcing it. We should be making sure that it is strong, positive and moving forward. This proposal is essentially a negative one, and the farmer and the businessman do not know what it may hold in the future. The man who may take a large amount of his land out of production and put it into summerfallow this year has no idea what he is going to do with it next year. Last week I attended ten meetings in Saskatchewan and talked to upwards of 900 or 1,000 farmers. More than that, Mr. Speaker, I listened to them. At each of those meetings the question was always asked, "All right for this year, but what do we do next year? What do we do when we have substantial amounts of land placed in summerfallow that will be ready for cropping in the succeeding year? Is it all going to be cropped? Is it going to produce more surplus wheat?"

Is the government already laying its plans for the future and not telling anybody? Does it have a nice little clutch of planners who are already making plans to keep this land out of production next year also? Is this what is taking place? In all conscience, to make economic or moral sense, the people of that region have a right to know where they are heading. Above all else the farmer is a planner. He has to be a planner. What farmers do next year is planned with what they are going to do the year after that in mind. If you are going to put in forage, then obviously you will have a cow herd to use that forage, or there has to be a market some place where you think you can sell that forage. Otherwise, you are going to plan things that way.

If certain amounts of land are going into forage, does the government have a plan for an increased cattle population? If certain land is going into summerfallow this year what is to be done with it next year? If the government devised a program to cover three or five years then, it might have had some justification for putting a program like this before the country. But it has not done so. Its program covers just one year. In our mythology we say that Saskatchewan is a next year country. Above all, the minister should know this. Admittedly he is not a farmer himself, but you do not have to be a farmer to acquire the wisdom to know what happens. Surely, he ought to know that this is a next year country.

I give you the example of a man who came to me and asked what he could do. He said, "I am operating 2,000 acres and I have 200 cattle." That is a fair sized operation. He said, "This program will divest me of my right to market wheat. If I lose my right to market wheat because I cannot fit into this program, then my gross income is cut by so much. What I have got to do in the next two or three months is figure out how to put another enterprise on my farm." He was talking about a hog enterprise. Whether he will undertake that or not I do not know. He said, "I have got to put some further enterprise on the farm to take care of the quota I am going to lose under this program."

Consider the individual who in the last two or three years attempted to adjust to the market circumstances which he knew existed and the changes which he thought were coming. He reduced his wheat acreage and sought to adjust. Where does he find himself under this program? He finds himself severely penalized, and unable to adjust his operations to fit the governments program. In its broad sweep this program is to be applied from the banks of the Red River in Winnipeg to the Peace River at Fort St. John, which takes in an area of a couple of thousand miles. This program takes within its scope farmers all the way from those in southern Manitoba, many of whom practice continuous cropping, intensive cultivation and who have discarded the summerfallow idea altogether, to farmers across the great plain in the drier region where you have a half or third crop practice. It also takes in the rancher, the one who may be a complete rancher, whose total

income comes from livestock and to whom grain is secondary, as well as the mixed farmer. It also takes in the oil seed crop grower. Now, along come a bunch of brainstormers who think all these farmers can be fitted into a single pattern, a single plan.

The Minister without Portfolio from Saskatoon-Humboldt has a copy of the letter I have in my hand, so I will not quote from it. This letter is from a constituent of mine, in which he asks how does he fit into this program with his 400 odd acres of land. He points out that he adjusted his cropping practices last year and most of his land is in summerfallow. He asks should he keep it in summerfallow again, and how can he protect his quota. This is the major problem connected with the program. Here is a program which is supposed to help the income situation in Saskatchewan, but which will make the income situation of many farmers much worse. We were told that this program would prevent expansion into other crops. Time will tell. Forecasts are now being made with respect to the amount of land being turned over to other crops, and left in summerfallow. I think that at this point all bets are off. Nobody knows what is going to happen.

• (4:50 p.m.)

Nothing is said here about a marketing program, about a program to move more of our products into the markets of the world. The government just says, "We are going to take 22 million acres out of production," despite the fact the minister himself has publicly stated that 20 million acres would be a desirable and manageable wheat acreage for the western plains. Mr. Claude Hudson, an unquestioned authority for the wheat industry in Canada has produced a study commissioned by the Economic Council of Canada in which he says we are going to need 25 million acres in wheat by 1975. Last year we only had 24.5 million acres sown to wheat and almost anyone would have to concede that this would have been cut this year to around 20 million acres. Now, the government pushes the panic button and disrupts the total economics of agriculture in western Canada, leaving the individual farmer to work himself out of the box he has been put in by the government.

Should we be unfortunate enough to experience a couple of dry years, on top of the economic dislocation inherent in this plan, we could have serious soil erosion as well. This program is proposed as a solution to an area already in the down-turn economically and asks the farmers to restrict production, not even, to use the basic resource already there. As far as economics is concerned, it is a weirdo. If agriculture were marginal to the area, it could be treated as a marginal industry not having top priority. But it is not marginal, it is the main industry and the economy of the region depends on the wealth generated by it. You cannot put it into mothballs because if you do the farmers and a lot of business go into mothballs with it.

Here we have this program purporting to put $100 million-odd dollars into the hands of farmers but nobody knows how much of it will actually get there. If it does get there the farmer will probably spend most of it trying to conform with the non-productive program which the government has dreamed up. The only advice I can give to the minister and those around him is to adjust the program before it is too late. Try to recapture some of the confidence of the farmers, try to get them to work along with you to achieve some possible objective. Try for a program which will improve the condition of the farmer and not add to his difficulties.

[*Translation*]

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I should like to make a few comments on the supplementary estimates introduced today by the minister and which have no bearing on any votes regarding grants to gold mines.

Mr. Speaker, if I may, I should like to say a few words about the situation of the mining towns in northwesternn Quebec, in particular Val-D'Or, Malartic, Cadillac, Chapais, Rouyn-Noranda and Chibougamau. These seven municipalities exist today mainly because of mining operations, which provide employment to 2,000 workers. They were established around the 30's. Millions of dollars were spent to provide the citizens with adequate public services and to make of these communities well-organized municipalities.

If the Minister of Finance (Mr. Benson) has not yet visited Abitibi, I am pleased to invite him to do so and I hope that he will come during the 70's. Several ministers of this government have already paid a short visit to Abitibi. They were surprised to find that our municipalities were modern and equipped with the same facilities as large urban centres in Canada.

Mr. Speaker, lately I received seven resolutions from city councils and school boards of my area asking the government to continue

the grants to gold mines after the 70's and even asking for an increase. Several letters were sent for that purpose to the Minister of Industry, Trade and Commerce (Mr. Pepin) and to the Minister of Manpower and Immigration (Mr. MacEachen).

Mr. Speaker, here is one of the resolutions which was passed by these seven municipalities.

Whereas gold has for thousands of years been recognized as a precious metal and been sought after by all the peoples of the world;

Whereas Canada, as many other countries, has its gold-mining industry;

Whereas considerable capital has been invested to build up that important industry in our country;

Whereas, in 1939 there were 232 gold mines in Canada;

Whereas, 30 years later, namely in 1969, only some thirty of them were still operating;

Whereas that industry is threatened with extinction in the near future;

Whereas well-organized cities were built near those mines, for the miners and their families;

Whereas those cities were built in a large measure with funds provided by small investors;

Whereas the government of Canada recognized, in 1947, that the closing down of mines as a result of higher operation costs penalized and even ruined the defenseless small investor;

Whereas the government of Canada started, in 1947, to pay subsidies to the gold mines threatened with having to close down;

Whereas almost all Canadian gold mines operating today would have closed down had it not been for federal grants;

Whereas operating costs are still going up and subsidies have not been increased since 1953;

Whereas the Gold Mining Assistance Act will remain in force only to the end of 1970;

Be it resolved as moved by alderman Adrien Paquin, seconded by alderman Wilfrid Asselin, that the municipal council, in the face of so serious a situation, ask the federal government not only that assistance to the gold mines be maintained after 1970 but that it be increased to enable those mines to continue operating and to save from bankruptcy those municipalities which depend on them.

Mr. Speaker, I have just read the resolution approved by seven municipalities in my riding of Villeneuve. Everyone knows that the Emergency Gold Mining Assistanct Act expires at the end of December 1970. I beg the Minister and the government to study thoroughly all the elements related to that industry.

In January 1934, the United States increased the price of gold. It was at that time $20.67 per ounce and it went up to $35 per ounce. That rise led to an increase in prospection and prospectors thus discovered mines of all kinds. A rise in grants after 1970 would be beneficial, I think, to the government and the Canadian people. No doubt such a decision would be the beginning of a new development in prospection throughout Canada.

The word "emergency" was well chosen when the government passed that measure and it is still appropriate today. Without that measure, all gold mines could not survive, which would be unfortunate in a just society, as the Prime Minister (Mr. Trudeau) so justly said during the 1968 election campaign.

In my area, 2,000 miners earn their living that way. They pay every year to the government large amounts of money in the form of taxes. If the government compared the income of employees and employers who must rely on gold mines to live, to the grants that amount to about $15 million, they would find out that those grants are largely made up through taxes paid by the workers.

The implementation of the Emergency Gold Mining Assistance Act has enabled this country to overcome the economic difficulties created by the rise in operation costs and the stability in the price of gold.

Mining is one of the oldest industries in Canada. It goes back to the first French explorers and settlers, some 350 years ago. The first ore discovery was probably made by a mining engineer accompanying Samuel de Champlain during one of his exploration journeys in the New World, at the beginning of the 17th century. Champlain himself mentioned the existence of silver in Nova Scotia and of copper in the Gaspé peninsula.

It is, however, mainly in the course of the last century that the most interesting discoveries were made. Three important events were the highlights of this time: the building of the railways, the Klondike gold rush and the disovery of a silver field at Cobalt in Ontario.

In 1970, the Canadian government will pay many millions of dollars in subsidies to the western farmers, in order to prevent them from producing wheat. I want to be quite clear about that: I do not mind whether the government pays subsidies to the farmers for Canadians certainly need farmers to grow wheat.

The same could apply to unsold milk. But we could certainly sell all the gold we produce to the United States. Let me quote here from a newspaper article written by Mr. Amédée Gaudreault, which outlines very

well, in my view, the situation now prevailing in the gold mines and I quote:

> Some experts have told me that gold mining operations have not changed very much over the last ten years and that no major improvements are foreseen in the near future. From 1950 to 1960 the important progress that was achieved then made it possible to increase the production of a miner by about 50 per cent, but that was all.
>
> Besides, the industry never stopped declining: production amounted to 4,541,962 ounces in 1955, to 3,606,031 ounces in 1965 and to about 2,500,000 ounces last year. As for the miners, they numbered 22,491 in 1950, 18,032 in 1955, 12,520 in 1965 and 7,800 in 1969; nearly 75 per cent of them are employed in northeastern Ontario and northwestern Quebec, where is located the famous "belt", comprising Timmins, Porcupine, Kirkland Lake, Noranda and Val d'Or.

• (5:00 p.m.)

[*English*]

A committee of six municipal members was formed to study the possibility of presenting a brief to the Minister of Energy, Mines and Resources (Mr. Greene). Preparing a brief every three years is certainly an expensive proposition for the municipalities concerned because the brief alone would cost approximately $15,000 and there would be the added expense of the delegates. In closing, may I point out to the minister that we are trying to help the government find a way to solve the problem of unemployment in Canada. Let us not add to the half million already waiting for work who are on the rolls of the unemployed. It would be helpful if the miners in my district could find employment. I, therefore, hope the government will support our proposition to continue the subsidies for 1970 and after. The government should make its decision as soon as possible because the municipalities in my district are very nervous and do not know whether the government will pay the subsidy on gold mining. I hope the government will decide this matter very shortly, because these municipalities could receive no greater gift than the knowledge the government is deciding the question of these subsidies in the very near future.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in rising to speak in this debate I wish to make a few brief remarks about matters that concern my riding, my province and the nation generally. About two weeks ago we heard the budget speech presented in the House by the Minister of Finance (Mr. Benson). The budget speech confirmed what hon. members on this side of the House and the Canadian public have been thinking for the past couple of years, that there is now a new meaning to the old Liberal slogan, "participatory democracy". That meaning is summed up by the phrase, "sharing the grief".

While the Minister of Finance arrogantly balances himself on the edge of his House of Commons seat, almost 6 million Canadians living below the poverty line are trying to balance themselves on their meagre budgets and keep body and soul together on salaries which fall below the poverty level.

Much has been said of the present government and the fact that it was elected on the charisma of the Prime Minister (Mr. Trudeau); he made no promises, except that he would build a just society. He did not keep that promise. He built an unjust society. It is equally obvious the government is anxious to keep the Prime Minister's latest promise to force the unemployment rate in Canada up to 6 per cent. According to the latest statistics released by the Dominion Bureau of Statistics, the unemployment rate as a national average is 6.5 per cent of our labour force. In the Atlantic provinces the rate has been forced—and I use the word "forced" deliberately, because the policies of the Prime Minister and the Minister of Finance have forced up the unemployment rate in Atlantic Canada—to 11 per cent.

In the absence of definite figures for Newfoundland, I predict that the unemployment rate there will probably exceed 20 per cent. When one realizes that one fifth of wage earners of a province of Canada will be unemployed, should not one be frightened? One ought to be alarmed at the 6.5 per cent national unemployment rate, the highest in six or seven years. Since assuming office in 1968, this government has embarked on a deliberate policy of forcing people onto the rolls of the unemployed. That is no laughing matter. The average unemployed Canadian must now be asking himself, "What is this all about and where will it end." Having spoken to the people of my riding, of my province generally and to other Canadians, I am convinced our people realize that the government does not know where it is going and what is worst they could not care less. The answer to the second part of the question, "Where will it all end," will be found in the ballot boxes after the next general election.

The government has embarked on a policy that is rapidly strangling the Canadian economy. Certainly, it has a stranglehold on the unemployed, on those living below the poverty line, on western farmers, Atlantic fishermen, small businessmen and Canadians gen-

erally. Its callous and indifferent attitude towards the economically depressed regions of Canada is sapping the spirit and initiative of our people, and in my opinion can only result in social and economic disaster. The government refuses to acknowledge that our economy is on its knees and actually bleeding to death. The Minister of Finance, his colleagues and the Prime Minister go about their merry way arrogantly boasting about the rapidly increasing unemployment rate and their phoney war on inflation.

• (5:10 p.m.)

At the same time, they have the gall to brag about how generous they are towards the depressed, have-not areas of Canada. Let the Prime Minister and Minister of Finance convince the unemployed in this country and those living below the poverty line that the government's anti-inflation policy is the right one. Let them try to convince the 83,000 Newfoundlanders who have been forced to accept welfare that the government's anti-inflation policy is the right one. The figure to which I referred a moment ago with regard to unemployment must give the Prime Minister a great deal of satisfaction.

This government appears to have adopted the attitude of "don't confuse us with the facts". The fact is that those regions of the country which do not contribute to inflation, such as the Atlantic provinces and Quebec, are being forced to take the same medicine as the wealthier provinces where there may be a need to impose anti-inflationary measures.

It is obvious there is a great deal of confusion in the government. In my two years as a member I have witnessed the Minister of Fisheries and Forestry (Mr. Davis) and the Minister of Public Works (Mr. Laing) continually battling the question of what comes first, the fishermen or necessary facilities for fishermen? This is similar to the question which came first, the chicken or the egg? I know in my constituency many people wish to return to the fishing industry but are unable to do so because of a lack of adequate facilities. The Minister of Public Works has refused to approve expenditures to build facilities because there are no fishermen in the area. He does not recognize the fact that these people are not actively engaged in the fisheries because there are no facilities. That is why I say they are arguing about what comes first, fishermen or facilities.

There have been a number of developments in recent months which are having a detrimental effect on the economy in the have-not areas. I do not want to drag out the subject of the seal fishery, but what my colleagues have said in this House bears repeating. Regulations have been imposed by the Minister of Fisheries, the basis of which stem almost entirely from the fact there have been representations by our embassies in Europe and other parts of the world because of pressure applied to them by the so-called sob-sisters, the bleeding heart societies and, in many cases, the vested interests. Our government has seen fit to yield to the pressure applied by those people at the expense of the Atlantic coast fishermen who, in many cases, augment their income from the seal fishery. Because of the regulations now imposed, it will be extremely difficult for these fishermen. There are fishermen in Atlantic Canada who desperately need the extra few dollars available from the seal fishery.

This government, with its typical arrogance and lack of interest or concern for the have-nots of this nation, has set about to destroy that industry. They have robbed those fishermen of the chance to earn a few dollars to tide them over until they return to their fishing boats or engage in some other job. I believe these regulations are crazy and stupid. They certainly were not well thought out by the Minister of Fisheries or his staff. Any reasonable person who has any idea of what is happening in Atlantic Canada would never allow this sort of thing. The Minister of Fisheries has done a great deal for the fisheries of Atlantic Canada. I am surprised that he permitted this regulation to be imposed on the sealing industry. It will have a ruinous effect on the industry, if not this year then next year or the year after.

The Minister of Regional Economic Expansion (Mr. Marchand) recently made a statement boasting of the fact that there were 22 areas in Canada designated to be special areas. There are eight such areas in Newfoundland. One area in my riding which is certainly more deserving than probably any other part of the province, was not even mentioned. I refer to the Argentia-Placentia area and the phasing out of the Argentia US naval station. There are approximately 200 fishermen and their families who were resettled in that area by this government and the Newfoundland government. They have not been provided with any facilities to encourage them to earn a living from the fisheries. It is a very depressed area. I am very disappointed that the minister did not see fit to extend the

same benefits to that area that will be extended to other specially designated areas in Canada.

In that same area there is a great deal of economic and social unrest as well as uncertainty, brought about by the government's resettlement program. I have said before in this House and in committee, and I will keep saying that there has been a grave injustice done to the people who were encouraged and in some cases forced to vacate their former homes and properties to move to the so-called resettlement areas. These people were enticed to move by the government. They were helped financially to a certain extent to help defray the cost of moving and to resettle. They were then completely forgotten.

These people were treated like checkers on a board, like pieces of machinery, like little red pins on a map. They were taken away from the place their families had been for generations, in most cases in areas where they could earn a decent living for themselves and their families. In some cases, they were forced to move to the so-called growth areas. They now find they are completely incapable of carrying on their vocation of fishing. They have been almost forced to become welfare addicts. I believe this is a serious injustice.

I hope this government will recognize its responsibility and pay special attention to the people concerned. The government should help them to rehabilitate themselves in their new environment. These people should be given a chance to restore their independence. Like most Canadians, they want to be able to stand tall, walk straight and earn a decent living for themselves and their families. I have spent hours talking about this, written hundreds of letters and have made many speeches on the subject. Much to my regret and the regret of the people concerned, the government so far has elected to turn a deaf ear to the problem. Special attention should be given to these areas by the Department of Regional Economic Expansion in view of the fact their way of life was destroyed by the government and they are now unable to help themselves. As I said a moment ago, they are unable to earn a living for themselves and their families.

• (5:20 p.m.)

There are a number of other matters which affect my area, one of which is housing. I was very interested in the question asked today by the hon. member for Prince Edward-Hastings (Mr. Hees). He challenged the Prime Minister to pay some attention and visit the slums of Canada in the same way which he did in the Arctic. As the hon. member mentioned later, this is not a popular suggestion because slums do not make good pictures. I would also challenge the Prime Minister and the minister responsible for housing to go into parts of my riding where people are living under conditions which are altogether substandard, and should not to be tolerated by anyone in 1970. The government does not seem to appreciate the need for decent housing which exists among Canadians. Hon. gentlemen opposite are making a lot of noise about urban renewal schemes and subsidized housing, but not enough is being done in an area which should obviously be given priority. I urge the government to step up its programs in this field. There is great need for urban renewal in Canada. There is great need for extensive studies to ascertain the fact of bad housing conditions, with their attendant inconvenience and squalor, and the effect it is having upon our young people who will be governing Canada tomorrow. Again, I urge the government to intensify its program to enable those now experiencing wretched-substandard housing conditions to enjoy some of the amenities that are being taken for granted by most Canadians.

Mr. Gordon Ritchie (Dauphin): On rising to speak on this bill, may I say that I intend to confine my comments to the subject of the Lift program announced by the minister in charge of the Wheat Board. I do not know how well this program has been named; I strongly suspect there is not much lift attached to this program and that it may never get off the ground. In some respects this is a pity, because it might have been a useful program. But it was ill-conceived and ill-considered; the most charitable thing one could say about it, I suppose, is that it was introduced in too great a hurry.

During his budget speech the Minister of Finance (Mr. Benson) told us that it would be necessary to introduce supplementary estimates providing $100 million for prairie farmers. The Lift program will certainly not need all that money. Upwards of half of it will be saved, unless all the reports I have received are misleading. I say from personal knowledge, and as a result of discussions with farmers and with hon. members of this House who come from agricultural areas, that it will be virtually impossible for farmers to follow this plan in its entirety.

The prediction in the Richardson Grain Letter that the figure of 15 million acres would be realized seems to be altogether optimistic. Reports indicate that the plan will have minimal acceptance in Manitoba and Alberta, and perhaps more effect in the great wheat lands of Saskatchewan. Statistics from the Dominion Bureau indicate that farmers will be planting about 18 million acres. If a figure of 15 million is realized, it means a net reduction of seven million acres.

The minister's plan to divert 20 million acres to summerfallow and two million acres to forage appear unrealistic and lacking in foresight. My criticism does not apply so strongly to the proposal relating to forage; that seems to be a useful program. The scheme as a whole would get rid of wheat, but at enormous cost. Because of the way in which surplus wheat is distributed all over the prairies, many farmers would still have very little to sell, while others will be left with a great deal. As the scheme was outlined by the minister, a farmer would receive payment for putting his land to summerfallow or forage, and be allocated a quota for delivering wheat, the quota being related to wheat he does not grow.

The second half of the program is, thus, attractive only to farmers who have sizeable surpluses of wheat on their farms. Their number is hard to assess but it seems likely it will amount to about 50 per cent, and to somewhat more in Saskatchewan. Farmers who have little wheat in stock would do best to try to grow a substantial crop on a small acreage. This is what often happens when an attempt is made to reduce acreage; farmers cultivate more intensively and end up with almost as many bushels as before. As a number of hon. members have pointed out, the plan tends to penalize farmers who have reduced their acreage in the past few years of their own accord.

I wish to turn, now, to a facet of the minister's announcement which seems to have escaped attention. All the announcements refer to an eight bushel quota. The minister did say the figure could be nine bushels if the maximum summerfallow came into being and no wheat were grown at all. In this respect he would seem to be on very safe ground, since some 50 per cent of farmers have no carry-over—though it is true they may be farming a smaller number of acres than the 50 per cent which hold a surplus.

Nowhere in the Lift program or in the minister's statements is the Wheat Board committed to taking more than eight bushels. However one tries to work out a quota to fit this new program, it seems the government is not committed to taking into the grain handling system more than about 300 million bushels of wheat. On the basis of 30 million acres of summerfallow this year, plus two million acres under forage crops, plus 25 per cent of last year's summerfallow, making up about 39 million acres of eligible quota acres, the amount of grain which can be delivered would total about 300 million bushels to reach an eight bushel per specified acreage quota. Four various reasons, though, many farmers would obviously not have the amount of wheat necessary if the full quota is to be reached. Even if the acreage under summerfallow were increased and wheat acreage reduced, there would still be less wheat delivered under the quota because many farmers would lack the wheat to fill their quotas if they reduced their acreage.

What about disappearances from the system? The minister has stated that this year 375 million bushels would disappear into export channels. Taking into account a further 100 million or 150 million flowing into domestic channels, there could be a total disappearance from the system of some 500 million bushels. But the Wheat Board is committed to taking only 300 million bushels of wheat, so there could be a loss from stocks of about 200 million bushels currently held by the Board. This would be a good thing for the government but it would really amount to transferring the burden to the farmer.

• (5.30 p.m.)

The really serious impact of this policy will be to reduce the cash flow to the grain farmers, computed on the basis of $1.25 a bushel for 200 million bushels, by about $250 million even at today's reduced prices. This would be nothing short of an economic disaster for the western grain farmer and indeed the whole grain economy throughout the country, particularly if this policy is carried out as bluntly as is suggested.

Even if two million acres of forage are put into crops and another six million in summerfallow more than last year, the government would contribute only $50 million to $55 million to the farm economy. Unless the government is committed to taking more than 300 million bushels into export and domestic systems, it seems to me the western farmer is in for a severe blow which will be felt throughout the entire western economy.

I should now like to turn to a more serious matter in its impact, at least in many ways—the new use of quotas to restrict deliveries. The government has proceeded in this matter by regulation, though many people still feel it should have been done by legislation. After all, this is a drastic change in the whole pattern of grain marketing and there has been no opportunity for debate on this important matter and no opportunity for the elected representatives of farming groups and other interested parties to appear before a parliamentary committee such as the Committee on Agriculture. This is what we would normally expect. It would seem that voluntary action might have been obtained with the same results.

The new regulations carry a very large stick indeed, since the producer's deliveries will be restricted if he fails to utilize his land in a fashion approved by the government. I should like to quote from an editorial which appeared in the Winnipeg *Free Press* of March 20 under the title "Is it legal?" It refers to the regulatory powers of the act and states in part:

> But it is certainly not self-evident that there is any such power in the act. One looks for it in vain in article 4, which sets out the board's specific powers: for example: "to buy, take delivery or, store, transfer, sell, ship or otherwise dispose of grain"—

It goes on:

> These obviously are marketing powers. There are a pair of basket clauses at the end empowering the board to act as an agent on behalf of a minister or the government "in respect of any operations that it may be directed to carry out by the Governor in Council" and "generally to do all such acts and things as may be necessary or incidental to carrying out its operations."

It continues:

> Obviously an acreage reduction program cannot be classified as an "incidental" and it has not been "necessary" in more than three decades of Wheat Board experience. The preceding language is presumably to be read in the context of the whole act. At face value there would be no limit to what the board could do on government direction, but this would be a nonsensical construction. In fact the act has to do with marketing and it is certainly arguable that production is a quite different subject.
>
> Other sections of the statute, for example those dealing with permit books and powers of administration, appear no more helpful. Even the definition of quota looks difficult; it means "the quantity of grain described in a permit book as fixed from time to time by the board." How is "grain produced" to be equated with summerfallow or, for that matter, forage? While it is beyond question that the board's powers over marketing, as established by past cases, are very extensive, the presumption that they are ample enough to permit it to alter production patterns under threat of penalty certainly invites serious challenge.

Regulations ought not to have a retroactive effect. A farmer who summerfallowed land last year voluntarily is automatically being penalized by some loss of his quota entitlement. There is no escape from the penalty which is inherent in the quota, and the penalty is a matter of regulation and not of legislation passed by Parliament.

Further on the editorial states:

> In this case 188,000 producers, who were obviously not consulted as individuals, have been suddenly confronted with a requirement that they alter their whole scheme of production. Quantitative changes in quotas are, of course, usual but in this instance the whole basis of establishing quotas has been changed overnight from the practice of three decades.

So the workings of this act or regulation, which might have produced a useful effort, will not contribute much toward the reduction of grain without a serious loss of income and damage to the western grain economy. This program seems to have been devised hurriedly, and with little thought, by people who are not fully conversant with the needs of the western farmers. In concluding these few remarks, I urge the minister to withdraw or make major changes to this program. It might be a useful program, but I suggest that the problem of surplus wheat can be solved only by selling. We cannot in one year curtail the production of western grain to the extent that we will end up with little or no surplus. I sincerely hope the minister will take a good look at what he has proposed and make some very useful changes.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to take part in this debate on the supplementary estimates and to deal further with a matter my colleague, the hon. member for Saskatoon-Biggar (Mr. Gleave), initially brought to the attention of the House. The hon. member for Dauphin (Mr. Ritchie) has spoken on it, and I expect one or two more hon. members will deal with this matter when I have concluded my remarks.

For anyone to suggest that this so-called Operation Lift—I believe the hon. member for Mackenzie (Mr. Korchinski) had different words for it, and I have regarded it as "Liberals Increasing Farmers' Troubles"—is being approved and accepted by anything more than half the farmers in western Canada, let alone the majority, is to indicate that he is suffering from delusions of some kind.

In true Liberal fashion the minister has dubbed and clubbed his hasty wheat acreage reduction plan as Operation Lift. It would be more appropriate, I think, to use the initials of the plan itself, WARP or operation WARP. My dictionary gives the following definition of warp: to change from straight or right or natural state; to make crooked or perverted. That is a pretty good definition of what this plan will do to Prairie farming. The minister laboured "Lang," or long, and concluded that we would have less wheat in 1970 if we did not grow any wheat in 1970. This was his conclusion after all that labour.

The Liberals have been somewhat less than honest in their promotion of operation WARP. They have implied that it will provide a large income supplement to grain growers. In the minister's words, "If farmers get behind this program.. the cash position of grain producers and the whole Prairie economy will be substantially improved this fall". I submit that is nonsense. The $6 per acre provided for summerfallow will mostly, if not entirely, be taken up in the cost of additional summerfallow. To suggest this is some kind of cash injection or additional cash in the farmers' pockets is dishonest and misrepresenting what the money will actually have to be used for. It is not—I repeat not—a cash injection of any kind in respect of farm income.

• (5:40 p.m.)

I for one, and the many farmers who have written to me—some of whom have even telephoned and spoken by the hundreds to my colleague the hon. member for Saskatoon-Biggar in the past several days—resent the inference by any government spokesman and any headline writers of the press that by any means this is an injection of cash into the farmers' pockets, because it is not. Let us put this program in its proper place. All it is is a small carrot and a large club. The small carrot is the $6 an acre payment for converting wheat acreage to summerfallow acreage. A payment of $6 an acre to support the cost of summerfallowing is a mighty small carrot. But the club, or the gun at the head of the farmer, is the new quota system. The farmer who wishes to move a large amount of grain next year must take acreage out of production and must not use that acreage for any crop other than forage.

Whatever misgivings the farmer may have, that the new quota system will persuade him, because he has two choices: it will either be compulsory, or he has to do it. This new program, operation WARP, is designed to do one thing and one thing only. It is designed to drastically cut wheat production in 1970 without substantially increasing other grain or oilseed crops. On thing it certainly does not do: it does not in any sense relieve the serious cash shortage which has paralyzed the vast majority of grain farmers in Saskatchewan.

Payments under this plan will barely meet costs in the most favourable areas. Certainly, in many areas it will fail to even cover the farmers' costs. Perhaps this program would be tolerable if it were part of a comprehensive attack on the short-term farm crisis and longer term adjustments. But as a minimum it must be accompanied by substantial supplementary payments to farmers related not to next year's production but to this year's lack of income.

Every major farm organization has called for a program of supplementary payments to Prairie grain producers. They have pleaded for this repeatedly over the past several years. It was a central point in the farm program put forward by the members of the official opposition and of my party repeatedly in this House. Possibly in many respects this was as a result of the demand by farm organizations, but in other respects we were putting forward programs which were part of the policies of our respective parties.

We proposed that the federal government provide not less than $200 million to support payments across the three Prairie provinces. Not only did the minister and the Prime Minister (Mr. Trudeau) turn a deaf ear to this proposal, but even the Liberal Premier of Saskatchewan went to the Federal-Provincial Conference in February and made not one demand for supplementary cash payments to meet Saskatchewan's farm crisis. To this day he has failed the farm organizations, the farmers and the small town merchants. His silence and the silence of many other Liberals on this question demonstrates better than anything else the true kinship that exists along the Thatcher-Trudeau axis.

We need, first of all, production guides which recognize the value of what farmers can grow as a national trading asset of benefit to all Canada. We need production guides which recognize long-term world food needs. We need production guides which recognize the contribution which satisfying rural life and employment can make to the economic and social structure of Canada. We need,

secondly, trade policies to make possible more purchases by people who buy or who would want to buy what we can produce. We have accepted large sales to Russia and China. We accepted these sales as a matter of right. We have done practically nothing about going out and developing the type of trade policies which would solidify, expand or extend these things.

Third, we need government policies in respect of government guarantees. We need government guarantees to buy specified amounts of produce and to buy those specified amounts at prices which will make farming viable and which will encourage people to make it their lifetime work and thereby make possible diversification and other adjustments within the farm industry. What is happening today with regard to diversification is that the farmer is being urged to diversity in the face of excessive costs and a ruinous debt burden, in many cases. The farmer alone is carrying the unfair risk. The government ought to carry some of this responsibility.

We also need laws to prevent the extension of non-farm corporate ownership to larger areas of farm activity. We need laws to establish minimum prices for grain sold within the provinces. The provincial governments can act on this; they can act to establish minimum prices for grain sold within the province. We need laws to fully protect the farmer and others against foreclosure and any other punitive action when, through no fault of his own, he is unable to pay his debts. The farmer will not be able to use the payment of $6 an acre to pay off his debts; he will need this money to buy seed or for summerfallowing.

We need a provincial government, particularly in Saskatchewan, which will support orderly marketing and not attack it as did a Liberal minister in the legislature last month. We need provincial governments which will co-operate and not interfere with the government of Canada when it starts to enforce the necessary laws in respect of orderly marketing. On this score I am pleased that the Minister without Portfolio did not weaken in the face of the opposition he received from his friends in his own province.

Mr. Speaker, I and many members of this House have received many letters, petitions and resolutions either in partial or in complete opposition to, as I call it, operation WARP. I should like to quote from a petition forwarded to the Minister without Portfolio from the Raymore district of Saskatchewan. It had attached to it the signatures of 104 farmers and small businessmen in that district. The preamble reads:

> We, the undersigned farmers in the Raymore area, wish to submit to you the following information for your kind consideration, discussion and positive action:

It goes on to state:

> We believe that large wheat inventory is caused by poor distribution. Not overproduction. As long as there is one hungry human in the world we do not wish to cut production. We believe on farm wheat to be an asset, not a liability. We also regard wheat in our granaries as income for the year the wheat was produced, similar to stocks, bonds, cash accumulated by other citizens during previous years of work. No other segment of the population is obliged to opt out of production for twelve months through no fault of its own. No individual, be he the wealthiest man or the poorest, will tell you he can afford to go one whole year without production.

It continues:

> The effects of inventory on the farmer as compared to industry differs. If industry decreases its inventory its costs drop almost in direct proportion. In the farmers situation his costs are based on a year's operation. Cost of production per acre changes very little. Yields are affected by variables, not just by value of inputs.

They go on in their petition to cite the reasons they are not in favour of the minister's program. They state:

> The proposed plan offers in place of the 1970 wheat crop approximately $100 million as compared to 1969 value of production of $684 million at $1 + = $700 million. Therefore, the plan offers approximately one-seventh of value for the 1970 crop as compared to the 1969 wheat crop which is 15 cents a bushel for 1970 wheat.

They state further:

> Storage costs to the federal government will not decrease in proportion to a decreasing stockpile. If we have 450 million bushels stored on the farm, plus 450 million bushels stored in elevators and terminals, or nothing on the farm plus 450 million bushels in elevators, cost of storage will remain the same since the federal government pays storage to the elevator system, not to the farmers.

• (5:50 p.m.)

So there is no saving to the government or to the farmer in storage costs. They contend that the real problem is not one of large inventory but of low sales, low prices, high cost of inputs and high interest rates. They believe—I was particularly struck with this one because I have had similar submissions from people in many parts of the Prairies—that the estimate of the carryover of wheat is too high by at least 20 per cent. I know of substantial areas in Saskatchewan where there is no carryover of wheat. I would like

to hear and see the minister's evidence of the 900 million to one billion bushels of wheat that is in farmers' hands and in elevator storage as of July 31. There are six or seven more reasons why these farmers signed this petition. I will read the last one, which says they are opposed to the plan because—

> There is no provision for farmers who have no wheat because he was hailed out, dried out, froze out, drowned out, wormed out or craned out—

And I will insert here, "or Liberaled out."

> —or the young man trying to start out.

They end their petition by saying:

> Therefore, we are opposed to the black paper on wheat reduction program and cannot, and will not, accept its implications.

The Archbishop of the Diocese of Qu'Appelle of the Anglican Church of Canada wrote:

> At the same time we feel strongly that the program to reduce wheat production by the federal government can be regarded only as a means of buying time in which to attack the root problem of food distribution around the world.
>
> We recognize that the decision to limit production of wheat was the only one to make on economic grounds.
>
> Morally, however, it is another matter. When two-thirds of the world population is hungry; when a child dies of hunger every three seconds while food is surplus in western Canada, it seems to us monstrous not to produce food.

I also have here a letter from Avonlea, Saskatchewan, and one from Lancer, Saskatchewan. This brings me to the question: What about next year? My colleague, the hon. member for Saskatoon-Biggar asked that question. I hope the minister will enlighten us some time this evening as to what is to happen next year. A gentleman from Lancer, Saskatchewan, wrote to me as follows:

> I have some 500 acres of fallow now and 500 acres of stubble. If I summerfallow the entire amount of 1,000 acres this year, next year I must seed 1,000 acres. I have no choice but to do this because I could not fallow any longer than two years.

So we would like to know from the minister what about next year? I have here another letter from Saskatchewan which says that it is going to be very hard, with no wheat payments this spring, to licence their vehicles, repair their machinery, purchase fuel and cover their day-to-day and monthly living expenses. The writer of the letter is saying this while waiting for the payment of $6 per acre which he is not likely to get by mid-July if he increases his summer fallow. What does he do for income? As yet they have not delivered their one-bushel quota and their crop year is over half gone.

Some of these letters are copies of ones that I have received. The originals were sent to the minister, and I hope he has read them all carefully. I hope he takes the time to answer the questions put forward by these farmers who have written from various parts of western Canada. One constituent started off his letter by saying:

> To pen a letter to me is like a bath to a hippie, however this plan our agricultural department has come up with, namely Lift, has lifted my hand.
>
> The only thing it will lift is a lot of good topsoil and a good many farmers' blood pressure. I can see some merit in this for a farmer who grew only wheat and never tried to reduce his wheat acreage or diversify and was fortunate enough to have a bumper crop every year since 1966. This will certainly help him out, but for people in the Park Belt it is more like a kick in the rear. Most of the farmers in our area have been trying hard to reduce wheat acreage by seeding oilseeds and specialty crops more out of desperation than anything else, as flaxseed, sunflower, buckwheat, safflower, which are a great risk because of frost—

The tone of that letter is similar to the tone of most letters that I am getting. I will not take the time of the House to read any more of them. I suggest to the minister that it is apparent that the program is a *fait accompli*. There is not the slightest possible chance that he and the government will decide to withdraw it and substitute something else.

I ask him with all the sincerity I can command to announce his regulations soon. I hope he will announce them tomorrow and not next Monday or Tuesday when the House is in recess, when all he need do is hold a press conference and he will not have to answer any questions from the opposition. In the course of that announcement I hope the minister will advise us that the government, in formulating regulations having to do with Operation Lift—or WARP as I call it—and with the new quota system, has recognized the problems of the farmers and has taken into consideration those farmers who reduced their wheat acreage.

I submit that the answer which the minister gave me today is insufficient. The recognition of 25 per cent summerfallow in 1969 is not high enough. I hope, also, that the minister will in his regulations give some recognition to farmers who do not have any wheat carryover and have no choice but to seed some more wheat. I hope he will put out regulations which will require his inspectors to inspect farmers' properties and granaries, and provide that those who do not have any

carryover will receive recognition and some allowance for wheat growing will be made for them in the present crop year. I hope the minister will include these and many other improvements that are needed in this program, which otherwise I think will prove to be a disaster and certainly a disappointment to most farmers in western Canada.

Mr. Thomas (Moncton): Mr. Speaker, may I call it six o'clock?

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, the motion before the House to concur in interim supply for the period April 1 to June 30 further illustrates the basic conflict which exists within the government. On the one hand we see the western farmer faced with an enormous surplus of wheat for which the government cannot find markets, and in fact through this motion it is asking the House to provide $100 million to pay the western farmer, in effect, not to grow wheat. On the other hand we find the government apparently about to embark on a policy which will further reduce the amount of wheat used for feed grain purposes.

The Minister of Agriculture (Mr. Olson) in his estimates has reduced by some $5 million the amount for feed grain assistance for the coming year, and he has given indications that the entire program may be withdrawn. As the House is aware, since 1941 the federal government has paid a subsidy on the transportation of feed grains from the Prairie provinces to the Atlantic provinces and to British Columbia. The program was originally started as a measure to encourage livestock production in those areas where feed grains were in short supply. In effect, the feed grain assistance program was designed to move large amounts of grain from surplus areas to deficit areas.

As the Nova Scotia Federation of Agriculture points out in a recent statement on the program:

> With the vast amounts of feed grains on hand in western Canada, it seems to make good economic and common sense to move as much as possible of this surplus grain to eastern Canada and British Columbia, where relatively little grain is produced and feed grain requirements are far from being met by local production. Furthermore, grain should be produced for livestock feed where the necessary resources are available to produce grain most economically.

This has been the policy since 1941, but from recent statements it would appear that the federal government is now considering the total withdrawal of this assistance program. While it is true that a reduction in the program will mean an immediate saving to the government, any saving obtained will have to be passed on to the farmer in increased costs of production and so will eventually be passed on to the consumer. Here again is the conflict within the government, because this is in direct violation of the government's avowed position of maintaining the line on prices, and it is a direct contradiction of the purpose of the Prices and Incomes Commission that prices should be held down at this time.

The Maritime provinces already suffer from low incomes, and reduction or complete elimination of the feed freight assistance will certainly not help this situation. The Minister of Regional Economic Expansion (Mr. Marchand) has unfurled vast new programs to overcome regional disparities in the Atlantic area, but now we find his colleague proposing measures which will help to negate his efforts. The farmer in the Maritime provinces needs more government help, rather than a reduction in assistance. As the brief from the Nova Scotia Federation of Agriculture points out:

> The continuation of the feed freight assistance program can be justified by government and agriculture as an equitable program which gave rise to great development benefits in the past and which contains even greater potentials for the future.
>
> Removal of the program cannot be justified without simultaneously eliminating other restraints such as tariffs on United States grains, Wheat Board import licence requirements and Wheat Board pricing of feed grains so that our livestock feeders can look to other areas of the continent for a supply of feed grains at the lowest possible cost.

• (8:10 p.m.)

I think the federation is saying, in effect, that if the government does not want Maritime farmers to use western feed grains because they have suddenly found some market for those grains, then take off the other restrictions so that the Maritime farmers can buy feed grains from other sources. I hope the minister will take this into consideration. This action of the government is only

another roadblock in our fight to obtain a comprehensive transportation policy for the Atlantic provinces.

It is an historical fact that because the Maritime provinces are situated at such great distances from the markets of central Canada, special freight rate assistance must be given to them so they can compete with other parts of the country. What is particularly disturbing to every Maritimer is the fact that for almost three years now the region has been in a kind of suspended animation interrupted occasionally by announcements from various transport ministers—and we have had quite a few—that a rational and sound transportation policy was being worked out for the area, and disturbed at other intervals by various railway freight increases.

We have had commissions and committees studying the problem, but as yet they have not come up with any solutions. The Transport Committee has made two trips to the region, and almost a year ago now presented a very comprehensive report containing their suggestions for a new transportation policy. The Atlantic Premiers presented an excellent report about a year ago and made many suggestions which would go a long way toward solving some of our problems.

In November, the Minister of Transport (Mr. Jamieson) announced the formation of a new federal-provincial committee on Atlantic region transportation, and included in its terms of reference was to be a detailed examination of the Maritime freight rate assistance on rail traffic within the region. This committee was composed of representatives from each of the Atlantic provinces, with a federal appointee to act as chairman. We have been told by the minister the committee has met four times, and I am informed that they have agreed on two recommendations. These recommendations refer to two noticeable errors in the Atlantic Regional Freight Assistance Act passed in this House in the last year. This is the only concrete step that has been taken in some three years under three different ministers of transport to revise the Maritime Freight Rates Act.

Because the Maritime Freight Rates Act has sometimes been deliberately misconstrued and misinterpreted, we have been accused of asking for things to which we are not entitled. For a moment or two I should like to refer to the background of this legislation. When this act was passed in 1927 it was a direct result of the recommendations made by the Royal Commission on Maritime Claims, commonly known as the Duncan Commission, appointed in 1926 to study the problems of freight rates in the area as compared with the rest of Canada.

The findings were very interesting because the study indicated that between 1912 and 1925 freight rates in the area had increased by 92 per cent, while rates elsewhere in Canada had increased by only 55 per cent. As the commission pointed out, this high increase placed a burden upon the trade and commerce in the region and, in fact, made it almost impossible for business to compete in the Canadian market.

The point that I want to make, because it has been deliberately overlooked, is that to adjust this discrepancy the Duncan Commission recommended that there be an immediate 20 per cent decrease in rates in the Maritime area. In other words, the 20 per cent decrease that is sneeringly referred to as the maritime subsidy is nothing more than this recommendation which was to bring our rate back to the same level that applied in the rest of the country. This interpretation is very irritating to people in the Maritime provinces.

The Maritime Freight Rates Act has served its purpose in some cases, but it certainly could not be called a rousing success nor an abject failure. It has helped business and commerce in the area, but it has not fulfilled the original intention of preventing rail rates there increasing more than in the rest of Canada. It has not kept transportation costs from being a barrier to the marketing of goods from the region throughout the country.

The philosophy in the act was good, but somewhere along the line the mechanics failed. To show what has happened in the erosion of our competitive position as compared with 1927, when the next round of railway freight rate increases come into effect on April 6 the rates will have caught up with three of the four rate hikes applied across the country which have meant increases of 20 per cent to 38 per cent in various categories since the National Transportation Act became effective on March 23, 1967. The Atlantic region will have had increases of 14 per cent to 28 per cent since September 23, 1969. In other words, the 20 per cent laid down by statute in the Maritime Freight Rates Act has gone out the window.

The only step the government has taken to implement the intent of the National Transportation Act, which was to develop a transportation policy for all modes of transportation in Canada, has been to pass Bill C-207, the

Atlantic Regional Freight Assistance Act. This bill was supposed to extend the same assistance to truckers as that extended to rail carriers, but those who drafted it did a sloppy job and created the two inequities which are causing further confusion in the Maritime freight rates picture.

• (8:20 p.m.)

Two errors appeared in the drafting of the legislation which extended these subsidies to the truckers in the area. The subsidies were supposed to be comparable to those granted to rail carriers. By some quirk or error in the drafting of the legislation it turned out that the subsidy on the westward movement of freight was extended to household goods; in other words, furniture. The trucker hauling furniture for someone moving from the Maritimes to another part of Canada can collect a subsidy on the shipment. In other words, we are paying for the migration of maritimers. The second problem is that because different methods are used to compute the amount of assistance, the assistance paid can be substantially less for goods moved by truck than for the same type of shipment by rail.

The Saint John *Telegraph-Journal* had this to say about the matter:

> —in one category, a wide range of miscellaneous commodities in lots of 1,500 pounds or more, the rate by both truck and railway piggyback service is 99 cents per 100 pounds—but because of the different formulas under the two acts, the subsidy works out at 21 cents by truck and 26 cents by rail.

I am talking about the act the Minister of Transport introduced in the House with such flowery promises. The railways were to have no real advantage over the truckers. How the minister's draftsmen produced this mess, we shall never know. We simply must amend the act. The provision extending a subsidy to the movement of household goods must be corrected as soon as possible, before too many people move themselves and their furniture out of the Atlantic area.

The editorial in the *Telegraph-Journal* continues as follows:

> —the disparity between truck and rail subsidies would not have arisen if Ottawa had followed the recommendation of the Atlantic Premiers, based on the extensive task force study, that the subsidies be paid directly to the shippers instead of to the carriers. Such a system would also permit a desirable flexibility in using the assistance, and it would spur rather than dull the competition for traffic between railways and truckers.

The editorial deals with one of the most serious complaints that I and other members from the Atlantic provinces have against the whole approach displayed by the department and the Minister of Transport toward the problem of transportation in the Maritimes. The minister asked for advice from various sources. He asked the Atlantic Premiers for their recommendations and said he would consider them seriously. The Atlantic premiers submitted a comprehensive report containing excellent suggestions. The suggestions respecting the solutions to our problems have all been accepted by most shippers in the area. I suppose we shall discover that this report has been tossed under a desk somewhere and completely ignored.

The minister said he would appoint a federal-provincial committee to look into this question: why, I do not know, because he already had received the report of the Premiers. Why would he wish to appoint a committee? I can only suspect the reason, as can the people of my area. The minister must want further delay. The committee has met four times, and its chairman is a federal appointee. The question is, why cannot the Minister of Transport obtain a report from the committee? Is it any wonder the people of the area are accusing the minister and this government of deliberate heel-dragging on the promise to develop a new Atlantic transportation policy?

Mr. Nesbitt: The people sense this is just a lot of horseplay.

Mr. Thomas (Moncton): The situation has become so upsetting in the area that hardly a week goes by without an editorial appearing in one of the local papers asking why no action is forthcoming. I thought the minister would begin keeping some of the promises he made when piloting Bill C-207 through the House. He said that would be an interim measure only, and that a completely new policy would be evolved. Our problems would be solved, the shippers in the Atlantic area would be governed by a definite policy and everything in the area would be fine.

In closing, I ask the Minister of Transport to redeem his promises by giving us something more than a shoddy, poorly drafted piece of legislation which instead of helping to solve our problems will complicate them still further.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I very rarely pass up an opportunity to speak on the subject that, depending on the way you look at it, either touches a raw spot

or is my favourite topic for discussion. As you know, since the minister announced his latest program which was to be the salvation of the west, hardly a day passes without my asking a question about what I call the Lower Income for Tomorrow Program.

All the years I have been involved in politics I have tried to sense the mood of the electorate, and never in all those years have I seen a group of people, the western farmers, more hostile as a result of the minister's announcement of his program which is supposed to help them. I have been scanning the newspapers to see what the reactions have been to the minister's proposed program. I have never heard that any farm organization requested such a program, or that any individual expressed privately that he would like to have it. Nevertheless, the minister's program landed in our lap out of a clear blue sky.

The other day I read a newspaper article which indicated to me what was going on in the country. The article in question concerned the Canadian Federation of Agriculture meeting in Winnipeg. In my hand I hold a copy of *Country Guide* of March, 1970. An article in it reads in part:

> Grains policy highlighted the annual meeting of the Canadian Federation of Agriculture at Winnipeg and heated discussion pinpointed crucial problems facing Canada's policymakers today—a direct conflict of views between some eastern and western farm people.

That, to me, indicates why there is a feeling of growing alienation in the west and why the minister's policies, no doubt aimed at quelling the rising resentment there, have aggravated the situation instead of smoothing it. This article continues:

> The Ontario group spelled out its position clearly on what it called the "Western Grain Problem" in a paper prepared at the request of the Ontario Hog Producers Association.
>
> 'It is alarming to contemplate what the effects could be on the eastern livestock economy if there is a big switch to livestock production,' said the paper.

• (8:30 p.m.)

> Demanding that the Prairie situation be isolated from the rest of Canada, the OFA paper stated, "Adjustments in Prairie agriculture will be painful but they are inevitable." And, in a further warning to Prairie delegates, it said the only solution is to cut back production to marketable levels.

This objective is all right for a group such as the Ontario Hog Producers Association. I believe the minister was more aware of what would happen to the livestock producers in eastern Canada than the farmers in western Canada. The article continues:

> Some Saskatchewan delegates took a stronger line. Said one, "If we can't sell our grain, we'll either go broke or convert some of it to livestock. There are a lot of us who aren't prepared to go broke yet!"

Obviously there was a confrontation between east and west on the question of who would be raising the hogs and cattle. For reasons best known to himself, the minister took the side of the eastern hog producer, leaving the western grain farmer high and dry.

Some people wonder why huge surpluses have been built up. One of the major reasons is that the grain producers have been constantly struggling to produce a few more bushels of grain in a vain attempt to get ahead of the rising cost of production. They thought that if they became more efficient a buyer would be found for the surplus grain and they would somehow be able to keep their heads above water. Eighty per cent of the wheat is produced by 20 per cent of the farmers. The minister made a statement of policy which apparently completely disregards 80 per cent of the farmers who by one means or another have been providing a livelihood for themselves and their families.

Although the minister said that wheat production must be cut, by some formula he has isolated the 20 per cent who are the main wheat producers. He said that since they are the people with the bulk of the surplus, a special policy will be designed for them. The minister has set a policy whereby it is impossible for anyone to must sell every bushel of his grain, every hog and all his cattle, and he must leave home in the winter to work in the bush or the mines so that his income will be sufficient to keep the family together.

The minister has now cut off one of the sources of the farmer's income, small though it may be. He has completely disregarded all these people. In the month that has elapsed since he made his statement, many hon. members have asked the minister to announce the regulations. Today the Minister seemed almost bewildered on the question of why regulations are necessary. Many people would like to know whether this is the end of the program, of whether the regulations will at least give them some hope.

The minister keeps kidding himself that this program will work. Anyone who has travelled to the west, talked to the farmers or

received letters from them has a better appreciation of the situation than the minister. The Dominion Bureau of Statistics issued a preliminary report of the farmers' intentions with regard to seeding wheat. On the basis of information prior to March 1, indications were that even without the minister's announcement they intended to reduce their wheat production by 25 per cent, from a level of 24½ million acres last year to just over 18 million acres this year. The summerfallow acreage was to increase by roughly 1½ million acres.

If this is the type of advice the minister is receiving, then either the minister or his advisers should vacate their positions. It is impossible to see how there will be any increase. As I have already said, the farmers need this income. Not only do they need it, but many of them do not have surpluses. Over the years many of them have had to diversify. Many of them took advantage of the community pastures program because they did not have their own pasturage. Many of them have gone to work part-time in an attempt to maintain their family farm. They have tried to expand their farms. Many young farmers thought there was hope. This seems to the only policy the minister intends to announce. He has not indicated how these people can earn money with which to pay their taxes. The attitude is that if they survive another year, maybe another quota system or some other arrangement can be worked out. The minister leaves these people waiting and wondering.

The minister has indicated that an appeal board will deal with some of the difficult situations which are not covered by regulations or the policy announced. He has indicated that this appeal board is necessary. Even if the membership of the board had been announced immediately, he knows how slow some of these appeal boards are. The time for spring seeding is fast approaching and some appeals may not be heard before that time. Obviously there is no intention to hear appeals from some of these people. Regulations have not been prepared. At this stage everyone is left scrambling for himself and running in every direction, thanks to the minister. If it were a dollar item it would be closer to the amount that actually will be spent, not $100 million. A false impression has been left in this regard.

Everybody in the east thinks we are getting $100 million. On the basis of a 1.5 million acres increase in summerfallow, times $6, only about $10 million is involved. Another couple of million acres might qualify. If the total reaches $30 million you will be stretching it a long way. If there is to be a partial payment in July, the minister will by then have an idea who qualifies and who does not.

• (8:40 p.m.)

The economic squeeze is so hard now that the minister should immediately allocate $70 million, using whatever plan he wishes as a basis, in order that some of those people who will not be given a quota may be able to meet their bank payments and keep their families together. I do not care whether he uses the method of acreage payments or follows some other scheme. I wish he would have compassion for these people who have not been allotted quotas for several years and who will be denied an income this year because of the minister's action.

I do not know what it takes to move a heartless minister. I have said that an appeal board is necessary. Some of the questions I have asked in the House illustrate the need for an appeal board and for the prompt publication of regulations. What about the case of the farmer whose land was broken up last year? How will he be affected by the quota system? What about the man who was hailed out last year and put his land in summerfallow the year before? He will be bound to put in a crop this year, but he will not have the benefit of a quota. What is the situation of all those whose land was fallow last year, who paid their taxes but who have no hope of an income this year

Like other hon. members, I have received a number of letters on this subject and some of them are most interesting. One of them comes from Avonlea, Saskatchewan. The writer says:

> The program for summerfallowing and seeding to grass as the basis for next year's delivery quota can only favour one class of farmer—those who have been the prime contributors to the surplus. Those who seed most of their cultivated acreage, using heavy applications of fertilizer are the prime contributors to the huge surplus. I understand that they are now to be blessed with the opportunity of having the lion's share of the market if they will summerfallow for one year.
>
> Most producers in our immediate area have been following a one half crop-one half summerfallow operation.

Later, he says:

> I have endeavoured to reach an economical unit whereby my equipment can handle seeding, summerfallowing and harvest. It is inadequate to provide for summerfallowing all my land at the proper time in any one year or to harvest a crop from all my land in the following year.

The writer adds that according to the pamphlet he received from the ministry, the program is to be backed by on-the-farm inspection. This, he says, will entail the employment of thousands of administrators and the cost of such policing will be exorbitant. I raise this question: Will the Manpower offices be called upon to supply these inspectors, or will we use the same old political patronage system as in the past?

I wish the minister would tell us what to do. It was suggested by some officials with whom I met recently that application should be made to the branch administering PFA. I say to the minister that there would be so many applications that it would be necessary for him to reinforce the PFA staff immediately. Local people are quite capable of carrying out farm inspections. I hope he will not continue to use the old system whereby the only qualification needed was the approval of the local Liberal organization. Let me remind the hon. gentleman that there are not too many Liberals left in this area, and those who are left will probably not be qualified to say who is, and who is not, fit to inspect.

Mr. Speaker: Order. I understand an hon. member wishes to ask a question.

Mr. Marchand (Kamloops-Cariboo): Yes, Mr. Speaker, I should like to ask the hon. member a question. I have heard him speak about farming as a way of life, and I agree with part of what he has said. But is he suggesting that this way of life should be subsidized?

Mr. Korchinski: I am saying that these people were told by government economists that they ought to expand, borrow from the Farm Credit Corporation and make their production efficient by using modern methods and machinery. So in a sense we are no longer talking about family farms but about economic units, if we want to be impersonal. Over the years the people have tried to make profitable units out of their holdings. Many farmers, in addition to growing corn—

Mr. Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him under the rules has expired.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, under the unusual procedure we are following today in connection with the supply of certain sums of money to Her Majesty, the President of the Treasury Board (Mr. Drury) has been able to smirk quietly in his seat all through this debate, wearing the traditional expression of the cat that swallowed the canary.

I suppose he is happy about the situation in which he finds himself, but I should like to have been close enough to the hon. gentleman to see the whites of his eyes across the aisle between us. While he has been getting off scot-free, his hon. friend from Saskatoon has been bearing the brunt, if not quite all of the onslaught from this side of the chamber. For most of the day we have been discussing the production of wheat, or measures to prevent it being produced. I think, to speak in Biblical terms, that along with these loaves of wheat there should be some fishes.

The subject to which I should like to address my comments has to do with items in the estimates which affect the fishing industry, which may come as a relief to the minister from Saskatoon. Out of the $250 million provided in the supplementary estimates, the amounts under the heading "Fisheries and Forestry" are relatively modest. I find myself intrigued by them.

• (8:50 p.m.)

Over recent weeks the Minister of Fisheries (Mr. Davis) has been making announcements of certain payments that were going to be made, arising in some cases out of emergency situations such as the loss to the fishermen because of contamination in the Placentia Bay area of Newfoundland. There is an item of $182,000 to cover the cost of this, representing a grant to the universities for assistance to educational work in fisheries. Then there is an item—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member. I realize that he is just starting his speech and that the remarks he is making are introductory in nature. But if I remember well, earlier today a suggestion was made by the Chair that until we were in Committee of the Whole there should be no detailed discussion of items in the estimates, and as much as possible we should limit contributions to this debate to the principle, if there is a principle, of the bill before us.

I think it would not be in order to refer to individual items and to consider or debate them except in a very general way. I appreciate that the hon. member knows this just as well as I do, and I hope he will keep it in the back of his mind during his speech.

Mr. Barnett: I appreciate the point Your Honour has raised, and I assure you that I am

not mentioning these figures with a view to discussing the merits or demerits of particular items involved, but rather to lay the ground work of what I hope will be the principle involved. If Your Honour will bear with me a little bit longer, I will complete the factual position of this situation as I see it.

I was going to point out that there is an item of roughly $1,200,000 to recoup the fisheries price support account to cover losses. That comes to something over $1,500,000, but from that is deducted items taken from Fisheries and Forestries votes Nos. 10 to 40 of the previous estimates amounting to $854,000, which means that all we are being asked for is $682,000.

My point in referring to these figures is that I feel an important principle is involved. I do not know whether it is primarily the responsibility of the Minister of Fisheries, or the President of the Treasury Board—I suspect it is more the result of the actions of the latter—that we appear here to be involved in a situation where we are robbing Peter to pay Paul. This is something to which I strongly object.

It is all very well for the government to announce great programs to reimburse fishermen for loss because of pollution, or to announce grants to bolster the price that fishermen will receive for their fish through the support board, as if these were great programs and we were being asked to approve the funds to carry them out, but let us not blind ourselves to the fact that what appears to be happening is that in order to do this we are taking away from certain other very important aspects of public spending.

These are items referred to in the main estimates. The one that concerns me is vote No. 10 in the main estimates which has to do with fisheries management and development programs, including moneys for the construction or acquisition of buildings, works, land and equipment including acquisition of land for the International Pacific Salmon Fisheries Commission as required by article VIII of the convention, and payments to provinces or municipalities. The item goes on about details of the industrial development service, conservation and protection service, resource development service and inspection service.

My quarrel with what is happening here is that at a time when there is a crying need for expansion in the resource development aspect of the Department of Fisheries, the government is, willingly or unwillingly, taking from the Minister of Fisheries and Forestry and his department moneys that Parliament in good faith appropriated to carry out certain purposes, particularly resource development, and is shifting that money to what may be worthy objects in themselves but certainly are not the objects for which we originally intended the money to be used when we voted it. As far as I am concerned, this is an important point at issue. If one were to examine the items in certain other departmental supplementary estimates, in the final supplementary Estimates B one could find that the same process appears to be happening.

The Minister of Fisheries was in British Columbia quite recently to speak to the annual convention of the largest organization of fishermen in that province. He was bandying figures around and talking about so many millions of dollars a year being spent on salmon spawning grounds, salmon hatching programs and this kind of thing. It is all very well to bandy these things around; it is all very well for the Minister of Fisheries to stand up at a convention in Vancouver expressing the hope that certain things will be done. But when we come back here, look at the fine print in the supplementary estimates and find that money that should have been spent this year on the expansion of salmon spawning facilities is, in fact, being diverted to a fisheries price support program, I think when we are asked to pass this bill or vote these supplementary estimates we should not be unaware that this is happening within the general policy restrictions which the government apparently has imposed on the department.

I do not know whether the President of the Treasury Board is going to take advantage of this opportunity to deal with some of the questions that have been raised today, but if he does I hope this will be one aspect of the proposal before us with which he is prepared to come to grips. As hon. members know, the standing committees of the House have been meeting and considering matters that have to do primarily with the estimates of the fiscal year that lies ahead. We have been hearing representations from various organizations. I have in mind the brief which was presented to the Standing Committee on Fisheries and Forestry by the Fisheries Council of Canada.

One of the points made in that brief was the importance and the value of investment in the resource-enhancing aspects of programs such as those of the Department of Fisheries. I raised some questions with them. Now, after looking at these supplementary estimates, I am glad I did. I asked them

whether they had gone to the President of the Treasury Board and made this point. It is obvious that it is not enough simply for organizations of that kind to come before the Standing Committee on Fisheries and Forestry, because we have to deal with matters that lie within the purview and the jurisdiction of the minister and the items put into a vote for the minister to spend.

I presume the Minister of Fisheries and his officials have had difficulty in making some decisions. At least, I hope they have had to wrestle with their souls about some of these matters. It is apparent they are forced into a position where they have to juggle money around and ask us to switch it back and forth from one program to another.

• (9:00 p.m.)

So really when members of this House of Commons deal with the main estimates they cannot know whether they are dealing with a proposal to spend money in a certain direction or not. This is the inference I draw from the little story told by the items in this supplementary estimate for the Department of Fisheries and Forestry. If I am placing a wrong interpretation on the situation, at some point perhaps the President of the Treasury Board (Mr. Drury) will correct me. I find it difficult to reach any conclusion other than the one I have reached. We have a situation where $854,000 is taken out of two votes, one of which has to do with the forestry section of the department. I have taken the trouble to check this item. I know it has to do with a program involving a contribution to the province of Newfoundland for assistance in obtaining an inventory of the forest resources in connection with a land capability study. As I understand it, this program is near completion.

The main estimates for the fiscal year ending March 31, 1971, indicate that the forecast expenditure is slightly in excess of that provided in the main estimates for the fiscal year 1969-70. We were informed that when the 1970-71 period was completed, that program would be pretty well phased out. So, Mr. Speaker, I really do not think the money was taken out of vote No. 40 in respect of the forestry branch of the minister's department. It would seem that it is coming out of the heart of the expansion program with regard to our fishing resource, which is now so essential to the fishermen not only on the Pacific coast but on the Atlantic coast of Canada.

[Mr. Barnett.]

I wish to register as strongly as I can my objection to this type of tactic on the part of the government, because if it is considered necessary to meet a temporary situation in respect of a pollution kill of fish, or a temporary decline in fish prices which must be supported, I submit that those who are concerned with the logic and regularity of the resource development program will not any longer know where they stand or on what they can count. I think this is very germane to the principle of the bill before us if, as Your Honour has suggested, it really has a principle.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, with all the respect in the world, I shall attempt to find some way—and I am sure I can—to relate my remarks to the item which stands in the name of the President of the Treasury Board (Mr. Drury). The President of the Treasury Board must be the most distinguished member of the government with us this evening. He looks relaxed and in a good mood. I hope that having listened to me he will realize the concern some of us have about the estimates and the supplementary estimates that are before us.

I say to the President of the Treasury Board, Mr. Speaker, that the most damnable hoax ever perpetrated upon eastern Canadians in the last half century has been perpetrated in this House in the last four or five days. There has been no concern, no care and no consideration for the economic impact; no rationalization of the importance to industry, revenue and the potential to generate the means by which we in the Atlantic provinces can sustain ourselves, and an absolute abandonment of the desires and aspirations of the people of Nova Scotia and New Brunswick who hoped that this House would have the sense to develop Minas Basin tidal power. The hopes of the people in this regard have been dashed to the ground.

At the outset I should like to refer to the report and tell you, Mr. Speaker, what we are talking about and what, for the sake of $30 million or $40 million a year, this government has thrown down the drain. A very distinguished former member of this House could say, "What's a million?". Therefore, I have no hesitation in saying, on behalf of Nova Scotia and New Brunswick, what's $30 million or $40 million when dealing with the lives of two or three million people and offering them the wherewithal to get out from under the yoke of criticism from Ontario and Quebec to

the effect that they are saddled with the burden of subsidies for the Atlantic provinces?

I want to be serious because we are dealing with public money, and I hope I can keep in order with what I wish to say tonight. For two years I have been asking about the feasibility study. Your Honour knows my concern about it. God knows, it has been my dream for 20 years that I would see these tides harnessed, and I shall not rest until they are. I shall read one short paragraph from page 14 of the report:

> In the United States the total requirements of the six New England States in 1965 were 41,782 million KWH of energy with a peak demand of 8,586 MW. The requirements are forecast to increase to 111,000 million KWH and over 22,000 MW by 1980, and to approximately 210,000 million KWH and 41,000 MW in 1990.
>
> The foregoing predictions indicate the tremendous increases in generating capacity for which planning must be carried out in the northeastern region of the continent. Also evident is the fact that, from the standpoint of magnitude of requirement, there is a market for the disposal of large quantities of energy from any conceivable size of electric power development.

In this world there is only one source of energy which can meet that type of requirement, and we happen to have it in the provinces of Nova Scotia and New Brunswick. It seems to me the government of Canada has adopted a shockingly short-term view in its decision not to proceed with the exploitation of the tremendous potential energy of the Bay of Fundy and Minas Basin tidal power. For over two years many of us have been anxiously awaiting this report. We have been concerned about the economic well-being of Nova Scotia and New Brunswick. We are concerned about the future of these provinces and about people continuing to say in a snide, offhand way, "Oh, hell; it is just the Maritimes, give them a few dollars and they will carry on."

An hon. Member: They say the same about the west, too.

Mr. Forrestall: Yes, but where the hell would we be without the wheat of western Canada? It is time we realized that a country of this kind demands of each one of us a particular price. Nobody in the Maritimes complained about the development of the St. Lawrence Seaway, and we had few editorials on the subject. Not too many years ago I stood in this House and said it was a good thing we developed the St. Lawrence Seaway—and I come from the port of Halifax.

• (9:10 p.m.)

I was saying that what is important is the development of the country and national unity, not the narrow-minded views of people who are afraid to spend a few dollars. Capital does not mean anything any more, in terms of developing a country like Canada. The cost of money is very, very important. I hope that I can keep my remarks in order when talking about the cost of money.

All of us who have read these reports and have been interested in the studies that have been carried out are aware of the ramifications and complexities of a project of this magnitude. We know it is literally a billion dollar project. The report suggests that the cost will be $700 million. What will the airport in Quebec cost? What will the airport northeast of Montreal do for the city of Montreal and its environs in the social, cultural and industrial context? It is another drop in the bucket. I suggest that to those of us in the Atlantic provinces this project might be the salvation of Nova Scotia, New Brunswick and Prince Edward Island in the context of confederation. I do not say that loosely, nor do I say it unadvisedly.

I say that the decision not to go ahead with the project because, as the report indicates, the cost of money is too high, is shortsighted. As the report says, the cost per kilowatt hour is beyond the range of industry to absorb. We are not unmindful of that. We know that an industry must have cheap power to keep it competitive with other industries. We know we cannot have power that will cost one mill or two mills more than power produced thermally or by some other means.

What we are talking about is the cost of being Canadian—and I want to pay that price. I do not know whether the rest of the members in the House want to pay it. I was prepared to pay it in terms of the St. Lawrence Seaway. Now I ask the rest of Canada to at least have second thoughts about the decision of the government not to go ahead with the development of this power.

As I said, this is one of the government's most shortsighted conclusions because it overlooks three major factors. The first is the potentiality of tidal power to meet energy requirements free of consequential pollution and at a constant, fixed cost once the capital requirement has been met. It would be pollution-free and constant in terms of the cost factor of annual operations. No other form of production of electrical energy provides that. Tidal power does provide it because it is

constant, it is renewable and we could use it four times a day. Four times a day, 135 billion cubic feet of water moves in and out of the bay. All we have to do is to utilize the optimum effect and subsidize the cost of money.

There seems to be concern for the cost of capital during the period of construction, which is predicted to be nine years. I will bet you a dollar that I could find a dozen conglomerates or consortiums in this field that would guarantee they would have an operation in six to seven years, not nine years. I guarantee that I could walk out of this House and in 48 hours bring to the Prime Minister's office two dozen Canadian businessmen who would be prepared to go out and raise the money which the government of Canada does not want to put up.

We are not asking for the capital. This type of project would require co-operation from all levels of government as well as the private sector. It is a massive project. I ask the House, the President of the Treasury Board (Mr. Drury) and the government to consider the very simple proposition, within the concept of regional economic expansion and within what I know is a sincere desire on the part of the government to overcome disparity, to make Canada a whole unit in which each part feels as strong as the others—because truth is never what it is; more often it is what it seems to be. I ask the Prime Minister (Mr. Trudeau) and the government if they would not reconsider the blunt statement made by the Prime Minister yesterday not to go ahead with this project.

I have mentioned the power that will be required in this section of Canada and the northeastern United States by 1980 and by 1990. No amount of thermal energy or nuclear energy will meet that demand unless we pay the price in terms of pollution, and not only pollution of our air in terms of coaldust and oil getting into the atmosphere but other forms of pollution. I ask the President of the Treasury Board where we will bury uranium in 1985, the uranium that they use to boil water to generate electricity in nuclear plants.

The U.S.A. are now down to two small areas, one in the mid-southwest and one in Alaska, where they can put away uranium which has a half life of 5,000 years, or whatever it is. I am not sure what it is today. I do not want it in Nova Scotia. Does the President of the Treasury Board want it in his backyard? I bet him a buck that he does not,

[Mr. Forrestall.]

yet here we are thoughtlessly casting aside another source of power because we are afraid of the cost of money.

The price of the power per kilowatt hour will bring it beyond competitive range. How shortsighted we are: I ask the President of the Treasury Board how many hours he has spent talking about pollution at cabinet meetings. The Minister of Energy, Mines and Resources (Mr. Greene) is one of the finest men in this country but, good God, how can he stand up after hours and hours of conversation about pollution and say, "Let us build more thermal power plants. Let us pollute more air"? What are we talking about?

The short-range project is fine, because we will need more energy and more electrical power before we can tie into an international or national grid the power of the tides of the Bay of Fundy. Let us not bog down in the concept that we can simply shelve it until the interest rate comes down to 5 per cent. I pray God I should live so long, but I do not think it will ever be that low again. How can it? There is no hope for it since the Bank Act revision.

We cannot continue this type of philosophy. The report says that the construction will take nine years in its optimum arrangement, to utilize the tides going both ways. I am not sure what engineering principles are involved, but they say it will cost $724 million plus. Basing it on the 1968 rate of 7 per cent, it will be "X" dollars and it will put the mill price per kilowatt hour at "X" level. Even if, realistically speaking, the interest rate today is 10 per cent and will continue to be that over the nine-year period, which I indicated will not be that long, and even if the cost is so high, in order to bring it down to a competitive level some sacrifice will be required of all Canadians.

• (9:20 p.m.)

The government talks about the need for Canadians to make sacrifices. How long have we been paying for the St. Lawrence Seaway? It still cannot pay its debt out of operational cash flow. I suggested in this House three, four or maybe five years ago that we should extend the write-off period for the St. Lawrence Seaway to 75 years, in the hope that operational cash flow might begin to meet its debt retirement obligations.

I am suggesting that for a period of six or seven years we should subsidize the cost of money to enable us to reach a competitive level. Let us pay that simple price as Canadi-

ans. Let us do it and not be too concerned about what we are doing. Let us look at it in terms of the subsidies that have been poured into the Atlantic region, particularly Nova Scotia and New Brunswick, in years past, and which will have to be poured into it in future years until we build the market that will attract manufacturing industries.

Once the project is built, let us subsidize the cost of money over and above the competitive level, up to the point where the price per kilowatt here is competitive. In other words, let us tap the American market. Let us benefit the people of Nova Scotia and New Brunswick with massive, cheap energy the like of which has not been conceived in Canada previously. Mr. Speaker, where have you ever seen a report dealing so casually with billions of kilowatt hours? You have not seen any other and you will not see any other, because this situation exists nowhere in North America except the Bay of Fundy. We are shortsighted in not going ahead with this project. We are doing ourselves and Canada a disservice. The failure to go ahead with it now does not mean we will not have to go ahead with it in the future. We will have to go ahead with it in the future. We will have to go ahead with the development within the next decade, because we do not have any other sources of energy.

I have talked about pollution. If we do not think pollution is important, the message has not got through from the government down to the grass roots. It got through to me, Mr. Speaker, and I am aware of it. I do my laundry at home, and I do not buy the type of detergent about which the hon. member for Vancouver-Kingsway (Mrs. MacInnis) talks; I buy the other stuff that does not have a pollutant in it. Much as we need electric energy, I cannot conceive of supporting any project that would spread pollution. I say that we should consider the stable cost factor that is represented by Minas Basin tidal power.

I quote recommendation No. 5, which is to be found at page 22 of the board's report, as follows:

> The board recommends further that additional detailed studies be authorized when (a) the interest rate on money drops sufficiently to suggest the possibility of an economic tidal power development in the Bay of Fundy—

In all seriousness, Mr. Speaker, when is that going to be? Who is kidding whom? These 22 pages were designed to justify a no. I think that the whole 2½ feet thickness of study papers and working papers should be referred to an independent, outside agency or body for review, particularly as they apply to the cost of money. I continue the quotation:

> —(b) a major breakthrough in construction costs or in the cost of generating equipment suggests the possibility of designing an economic tidal power development in the Bay of Fundy—

We can wait forever for the sun to shine on Ottawa and the temperature to be 70 degrees all year. That is a bland comment. How will we evolve cheaper methods of developing tidal power unless we get into the business of designing equipment to capitalize on tidal power?

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

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to bring to your attention a chain of events which has taken place in the last few weeks and which has had a profound effect on the town of Elliot Lake in my riding. I have just returned from a series of urgent meetings with people who are involved in that community—the town council, the leaders of the labour unions, the businessmen's associations and the other people.

A few weeks ago the Prime Minister (Mr. Trudeau) announced that the government had become aware that there were negotiations taking place between the Roman Corporation and the Hudson's Bay Company to sell the controlling interest in Denison Mines to that company, and he indicated that the government would move to block this sale, if necessary with retroactive legislation, because the Hudson's Bay Company was controlled by American interests.

A subsequent meeting between the Prime Minister and Mr. Roman seemed to end on a very amicable note with Mr. Roman indicating that the Prime Minister's approach was fair. At the same time there seemed to be an indication in statements by the Minister of Energy, Mines and Resources (Mr. Greene) that arrangements could be worked out which would allow the government's policy on foreign ownership to be maintained and yet allow Mr. Roman to make his sale. However, last Thursday night the Minister of Energy, Mines and Resources announced the details of the government's rules for foreign ownership and indicated that Canadian mining companies would have to have Canadian ownership of 66 per cent, with no individual foreign owner holding more than 10 per cent.

Last Friday morning Mr. Roman held a press conference in Toronto. I would like to read the news report which came out of that conference, as follows:

Denison Mines Ltd. may consider closing its huge uranium mine at Elliot Lake, Ontario, for three or four years if additional financial resources cannot be negotiated soon.

The chairman of Denison Mines, Stephen B. Roman, told a Toronto news conference today "without additional resources management definitely has to give consideration to closing the mines."

Mr. Roman had originally called the news conference to announce details of a sale of about one quarter of Denison stock to a U.S. controlled corporation.

He used it instead to comment on government restrictions announced last night, that apparently would block the deal.

Mr. Roman said he could not comment on his next step until the government's action had been thoroughly studied. He said many points were left open in the statement by Energy Minister, J. J. Greene, and he added "if possible I definitely will go through with the deal."

This news hit the town of Elliot Lake like a bombshell. Mr. Speaker, this town has been through some very bad years. When the American options to purchase uranium were not picked up in the early sixties, the town went from a boom to a bust situation. We had homes and businesses closed and fortunes lost. Fortunately, the government had introduced a stockpiling program in 1963 and a further one in 1965 which, incidentally, will be terminated on June 30 of this year.

• (9:30 p.m.)

In 1966 things started to pick up. Businesses reopened, homes started to sell and building commenced. During this period the government has poured upward of $100 million into the stockpiling program, which was utilized by the Denison Corporation. Though this program ends on June 30, Mr. Roman has indicated that he has enough uranium on hand to meet all his contractual commitments for the next three years and that he could close the mine and still meet his commitments for this period.

This may well be true, Mr. Speaker, but I say Mr. Roman has a responsibility to the town as well as to his board of directors. The town has been responsible for good things in his life, and he should now act responsibly toward the community. At the same time, I think the federal government has a responsibility to keep the mine open. They have already poured millions into the stockpiling program and if they allow the mine to close they will be faced with a terrific welfare expense, as well as moving expenses for the miners for the next three years.

[Mr. Foster.]

All indications are that world demand for uranium will greatly increase and that the mine will have to remain open. Indeed, Denison Mines closed a contract in the last couple of months with Japanese interests for something like $300 million. I say the government has a responsibility to take whatever action is necessary to see that this mine is kept operating and that the miners do not suffer hardship and unemployment.

Mr. A. D. Hales (Wellington): Mr. Speaker, in the few moments left at my disposal I should like to confine my remarks to the supplementary estimates before the House, with particular reference to those dealing with agriculture which represent approximately half the total estimates.

I should like to divide my remarks into two headings. First, the method by which this scheme is being introduced and, second, the principle behind the issue. First let us deal with the method. In common with many members, regardless on which side of the House they may sit, I do not like to see legislation brought in by means of estimates. The practice of making statutory changes by way of appropriation acts based on supplementary estimates is no way to bring in legislation. The importance of the disbursement of money to farmers as an incentive not to grow wheat is important enough for a piece of legislation or a bill to be introduced in this House.

Dealing with the method, let us look at the estimates and see what is said. This money is to establish a reserve of:

$100 million from which payments may be made in the fiscal year 1970-71 for wheat acreage reduction of $6 per acre.

I do not find any mention of $10 an acre for seeding into grass.

—in respect of such acreage as may be further prescribed by the Governor in Council—

Of course, the Governor in Council can prescribe whatever they like; Members of Parliament have no control over the matter.

—in accordance with the terms and conditions approved by the Governor in Council to farmers—

It goes on to say, prescribed by the executive or Order in Council. I am saying that this amount of money should have been granted by means of legislation. Another thing I object to is that on the front page it says that these estimates are for the fiscal year ending March 31, 1970. That is the end of this month.

We are asked to approve $100 million for this purpose, but the money is to be spent in the year 1970-71. This is an extremely bad practice.

An hon. Member: Hear, hear!

Mr. Hales: It is bad practice to be passing money this year which will be spent next year although it appears in this year's estimates. It should appear in next year's estimates, not last year's. It is a very bad precedent and a bad method that the government has chosen to have this $100 million appropriated.

While on the matter of estimates under agriculture, I see that there are three $1 votes here. This is a very dangerous way to pass estimates. Hon. members do not know what that $1 is for, and there is nothing here to explain it. I say again, Mr. Speaker, that I am definitely opposed to the way the government has chosen to get this $100 million from the Consolidated Revenue Fund.

Let us talk about the principle of giving $100 million to the farmers to sit and do nothing. This does not meet with my approval at all, and for the life of me I cannot see why an agricultural country such as Canada should have to do such a thing. By the time the money is administered and an army of people are hired to see that the program is conducted according to the regulations, about $200 million of government money will have been spent. Would it not have been better to buy $200 million worth of wheat from western farmers and ship it to starving people in other parts of the world?

Some hon. Members: Hear, hear!

Mr. Hales: Surely, that would have made more sense than to pay farmers not to produce it. Also, our image throughout the world would not have suffered. Just this morning I heard of a missionary recently returned from India where there are thousands of hungry and starving people. He said that the news is getting to them that Canada is paying its farmers not to produce wheat, and he asks, "How can I go back to India and face these people, as a Canadian?"

This is a paradoxical situation. We have spent millions and millions of dollars on the Department of Agriculture, we have had experimental farms, we have a department of agriculture in every province, agricultural colleges all over the country, we pay civil servants, research people and others to produce a policy of foresight and vision so that we will not find ourselves in this position in Canada. What do we find? We find that beef in Canada is at its highest price since the war days. We know children are going to bed in Canada without having had a good meal of red-blooded, high-protein meat. Why is this, Mr. Speaker? It is because the price of beef is so high that the average family cannot afford to buy it for its children.

• (9:40 p.m.)

There are piles of wheat in western Canada and we do not know what to do with it, yet beef is so highly priced that few can afford to buy it. How foolish can we be? What have all the departmental researchers been doing? Why did they not provide us with a policy that would have averted this situation? Why was no foresight displayed? We live in an agricultural country but import every year about nine pounds of meat per capita. We import lamb, mutton, pork and even beef from other countries of the world, yet at the same time wheat is piling up in Canada. Is that not a strange paradox for this country?

I know some will say that this government should have adopted certain policies. Perhaps that is so, to a certain extent. I think the researchers of the various departments should have told us what policies to adopt in order to avoid our present situation. To anyone who says that the government ought to be the guiding star in presenting policies, I say, "If Alvin Hamilton had been minister of agriculture during these past years, farmers in western Canada would not have been growing so much wheat. They would have seeded to pastures and carrying on a cow-calf program. As a result, more cattle would have been produced and hopefully the price of beef would be low enough for every Canadian to afford it.

Now the government is asking this House to vote $100 million and get it out of this mess. Instead of introducing this measure as a vote in the estimates, the government ought to have introduced a bill which hon. members could debate. That way we might all understand what is to happen in western Canada. As I said before, these estimates apply to 1969-70 but the money will be spent in the period 1970-71.

I shall finish on this note, Mr. Speaker. Some of the best research people live in our country. If they put their minds to it, they can work wonders. Surely, wheat in this country can be used for purposes other than animal and human consumption. For all I know, it might be possible to make silk stock-

ings out of wheat. During the last war the Germans ran their tanks and armour from the product of the lowly potato. Alcohol was distilled from the potato and was ultimately used to drive their vehicles. Yet in this country we sit on mountains of wheat and cannot find a use for it. We tell our farmers not to grow more wheat. How foolish can we be?

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

Hon. C. M. Drury (President of the Treasury Board) moved:

That this House do concur in Interim Supply, as follows:

That a sum not exceeding $1,916,293,691.67 being the aggregate of:

(a) Three-twelfths of the total of all the items set forth in the estimates for the fiscal year ending 31st of March, 1971, laid before the House of Commons at the present session of Parliament—$1,857,452,800.00.

(b) An additional six-twelfths of the total amount of Finance item 20, Indian Affairs and Northern Development loans, investments and advances item L35, (Schedule A) of the said estimates —$5,016,500.00.

(c) An additional four-twelfths of the total amount of Industry, Trade and Commerce item 25, (Schedule B) of the said estimates—$1,176,000.00.

(d) An additional three-twelfths of the total amount of Consumer and Corporate Affairs item 25, Transport items 20 and 30, (Schedule C) of the said estimates—$10,211,250.00.

(e) An additional two-twelfths of the total amount of Energy, Mines and Resources item 35, National Health and Welfare item 50, Secretary of State items 15, 25 and 75, Treasury Board item 25, Veterans Affairs item 45, (Schedule D) of the said estimates—$20,431,666.67.

(f) An additional one-twelfth of Agriculture items 10 and 40, Energy, Mines and Resources loans, investments and advancements item L50, Finance item 5, Indian Affairs and Northern Development item 65, Privy Council item 1, Solicitor General item 25, Supply and Services item 10, (Schedule E) of the said estimates—$22,005,475.00. be granted to Her Majesty on account of the fiscal year ending the 31st of March, 1971.

Motion agreed to.

Mr. Drury thereupon moved that Bill C-201, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1971, be read the first time and printed.

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

Mr. Drury thereupon moved that Bill C-201, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1971, be read the second time and referred to the Committee of the Whole.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. We do not have a copy of the bill. We cannot speak to it, but if we had a copy of it, we could look at it.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

• (9:50 p.m.)

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, I would like to announce that the business tomorrow will be Government Order No. 77, Bill C-192, an act respecting the Federal Court of Canada. Having made that announcement, perhaps we could call it ten o'clock.

At 9.55 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 25, 1970

The House met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House
Ottawa

25 March 1970

Sir,

I have the honour to inform you that the Right Hon. Gérald Fauteux, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 25th day of March, at 5 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General,
Assistant Secretary to the Governor General.

PRIVILEGE

MR. CAFIK—USE OF POST OFFICE BOX 4430—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday on a question of privilege the hon. member for Ontario took exception to the fact that mail intended for him and addressed to "My Member of Parliament" was being intercepted when addressed to a certain post office box. The hon. member represented that this action was an interference with his privileges as a member of this House.

• (2:10 p.m.)

While it may well be that this is the kind of situation which might be looked into by the Committee on Privileges and Elections, as suggested by the hon. member yesterday, the Chair is bound by the rules and by precedents in determining whether there is a prima facie case on which a motion can be founded.

In particular, as I mentioned yesterday, a matter of privilege which claims precedence over other public business should be raised at the first opportunity. On this point I refer hon. members to Beauchesne's fourth edition, citation 104(3), as follows:

The matter should be raised at the earliest opportunity. A matter which occurred during recess was refused precedence because it was not raised on the first day of the session.

I also refer hon. members to May's seventeenth edition, page 378, as follows:

A matter of privilege which claims precedence over other public business should be a subject which has recently arisen ... a matter concerning an article in a newspaper published on 6 May was refused precedence because it was not raised till the 14th, and a speech reported on a Saturday because it was not raised until the following Tuesday.

These precedents, which have been observed faithfully over the years in this House, cannot be ignored even in the circumstances stated by the hon. member for Ontario. The hon. member complains of a situation which in fact arose over a month ago. I suggest that the Chair is not at liberty to ignore the precedents which clearly establish that a question of privilege must be raised at the first opportunity. With this in mind, I must come to the conclusion that the hon. member's proposed motion cannot be put to the House.

This ruling obviously does not preclude possible action by the hon. member, or by any other hon. member interested in this question, by other means or under other proceedings. While the matter cannot be pursued at this point as a question of privilege, its several aspects might well be considered, for example, by the Standing Committee on Transport and Communications, which committee has before it for consideration the estimates of the department concerned.

HOUSE OF COMMONS

TRIBUTES TO RIGHT HONOURABLE MEMBER FOR PRINCE ALBERT AND THE SOLICITOR GENERAL ON 30 YEARS OF SERVICE AS MEMBERS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I rise on a question of privilege to clarify information which I gave to the House some time ago. The statement to which I refer was correct but it is perhaps capable of misinterpretation, and for that reason I am anxious to remove any possible doubt which may be in the minds of hon. members.

On September 18, 1968, I reported to this chamber on the activities of one of the most select organizations in Canada, one which claimed but three living members, the Prime Minister's Alumni Association. I do not wish to become involved in a debate about the

degrees of selectivity, Mr. Speaker, but I do feel it important that I discharge properly my responsibilities by reporting to this House on another, equally select organization, one which claims but two members, The Thirty Year Club.

Tomorrow, Mr. Speaker, marks the thirtieth anniversary of the election to Parliament of the right hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Ottawa Centre (Mr. McIlraith).

Some hon. Members: Hear, hear.

Mr. Trudeau: Mr. Speaker, this record of service to Parliament is indeed a brilliant one. Measured in terms of sheer political survival, these gentlemen have illustrated their ability to understand and to adapt to the changing moods of Canada over a period of three decades.

It is not my purpose, nor indeed am I competent, to comment on the distinguished parliamentary careers of our two colleagues. Their records speak for themselves. I wish only to say that their continued presence here is evidence of the strength and the effectiveness of the democratic process in Canada.

Our friends in the Press Gallery usually use the term "30" to close their dispatches. I am sure, Mr. Speaker, as an hon. member opposite says, that they will not take that as any indication, and that they are astute enough to recognize that "30" will not close the public career of either of these two members.

Today, Mr. Speaker, is the last opportunity for us to look upon these two gentlemen while they are still "under 30." Before they pass that symbolic barrier let me, on behalf of the 261 other members of this House who are well under 30, present them with a touch of flower power.

[*Editor's Note: Whereupon the Prime Minister presented the Solicitor General with a red flower, and the right hon. member for Prince Albert with a blue flower.*]

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this is a great occasion. I am sorry that because this is the day before the recess there are not more of us here, but I am sure those who are agree that the cream of the members of the House of Commons are present.

I congratulate the Solicitor General (Mr. McIlraith) on his long career which is a tribute to him as a parliamentarian as well as to the respect in which he has been held throughout the years by his constituents. Despite the great changes that have taken place in this city, he has retained the confidence of those people whom he has represented for 30 years. He strikes us as a fair man but a man who has obviously never carried fairness to the point where he has extended too much of it to his opponents and thereby run the risk of defeat.

As for the right hon. member for Prince Albert (Mr. Diefenbaker), it is 30 years since he acquired whatever protection parliamentary immunity affords, in addition to whatever protection the game laws at that time afforded a Conservative in the province of Saskatchewan. He came to the House as a distinguished lawyer and very rapidly became a great parliamentarian. While he was Prime Minister of the country I was associated with him in certain endeavours in another capacity and had full opportunity to sense the depth of his feeling for the country, his compassion for the unfortunate and for the underdeveloped parts of the country. But there is no need for me to emphasize here the compassion of the right hon. member for Prince Albert because every day we see him exercise it toward the ministers of the Crown in the questions he asks.

We honour these two men, and I am proud to be associated with them, proud to be here on this day. On behalf of my colleagues, it is a great pleasure to wish them both the very best on this very wonderful day.

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is the understatement of the year to say that we have our differences in this House. However, on this occasion when we are extending our congratulations to two of our colleagues I know that the views which have just been expressed by the right hon. Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Stanfield) will meet with unanimous concurrence in all parts of the chamber.

• (2:20 p.m.)

It might seem out of place for me to say that these two members have been here a long time in view of the fact that I was here when these two new boys arrived. I remember their arrival very well. I remember the Solicitor General as a flaxen-haired, dedicated new member. The hair may have receded but

the dedication has not diminished at all. On coming here he immediately modelled himself on the late W. L. Mackenzie King. As all hon. members know, the pupil has outstripped his mentor because while the teacher's answers were sometimes ambiguous, the pupil's are now completely incomprehensible.

I think the peak of the minister's career was when he was Government House Leader. All of us who had occasion to work with him developed a deep affection for him and found him to be a man of integrity and good will.

I recall the right hon. member for Prince Albert arriving like young Lochinvar from out of the west. He immediately took on the most formidable opponents he could find, the Right Hon. C. D. Howe and the Right Hon. J. G. Gardiner. He adopted Murphy's law: wherever there is trouble we will find it, and if there is no trouble we will make it.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): He became one of the most effective parliamentarians in this House. Like the Leader of the Opposition I had occasion to deal with him when he was Prime Minister of Canada and found him to be a man of deep compassion and concern for people. Certainly the people of Saskatchewan will always be grateful to him for the dam which was built on the South Saskatchewan River. I was deeply indebted to him on behalf of my province, as was the government of British Columbia, for the amendments he made in the Hospital Insurance and Diagnostic Services Act. Those two provinces who had been carrying hospital insurance out of their own resources for many years were assisted. The amendments he brought in started the movement toward making hospital insurance universal across Canada, and for that the people of Canada will always be indebted to him.

On behalf of my own party and, I am sure, of every hon. member of this House, I extend congratulations to our two colleagues for 30 years of devoted service to the public life of Canada and to this parliamentary institution. We also extend our best wishes and hope they will have many years of good health to enjoy the affection and friendship of their colleagues and the gratitude of this country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, following the example of the previous speakers, I am happy to say a few words with regard to the announcement just made by the Prime Minister about our two colleagues' thirty years of political life. Those of us who have been in the House for a few years readily admit that to have been a member for 30 years is something quite remarkable, since it means a considerable amount of work. As a matter of fact, in 30 years they must certainly have faced all kinds of political events.

Personally, I have had the opportunity, since 1962, of meeting them and of taking part with them in the debates of the House, and I was thus able to appreciate their talents as parliamentarians.

I cannot, like some hon. members, pride myself on having been here for 30 years, nor can I say that I have seen my two colleagues take their seats for the first time. However, I can recall the events which took place in 1962 and afterwards.

But I have been in a position to see that those two hon. members have always strived to ensure the well-being of the Canadian people. Not only have they been great parliamentarians, but also builders who, through their goodwill, wanted to accomplish something good for all Canadians. If unfortunately they did not fulfil their dream, it is because they have been the victims of a system which prevented them from reaching the goal they had set for themselves.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I was ready to defer to the Solicitor General (Mr. McIlraith). I so indicated to him but he did not rise. Therefore it is my responsibility to speak first and to express, on this emotion-laden occasion, my deepest and most heartfelt appreciation for what was said by the right hon. Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Stanfield), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) as the leader of the New Democratic Party, and the hon. member for Shefford (Mr. Rondeau).

Most people do not understand the House of Commons. They do not realize that there develops in this institution a relationship unlike any to be found in other organizations —deep divisions but equally deep feelings of appreciation for all members, each endeavouring in his own way to make his contribution in his day and generation.

The Prime Minister referred to the fact that 30, when used by the press, has a certain connotation, one which I immediately suggest will not apply to me.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I look forward to many more celebrations of this kind. I received a couple of years ago from a Jewish congregation in Vancouver, British Columbia, a plaque on which was the tree of life. I inquired from the chief rabbi the meaning of this great honour, and he told me it meant that those who received it would live as long as Moses. I immediately looked up the Scriptures and found that Moses lived for 120 years. I need not tell Your Honour what the reaction was when that news reached Ottawa!

I also wish to point out something that only we westerners can fully understand, and I say this to the leader of the CCF—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The NDP. I was never very good at letters. I still recall him in those days as one of the great orators of the House of Commons. As I was about to say, we westerners realize that even if there is snow on the roof, that does not imply that the fire has gone out in the furnace.

• (2:30 p.m.)

I do not know how to thank my right hon. friend and hon. friends for what has been said here today. It is a long way to look back. We saw the great ones of that day. We saw this House of Commons rise to heights of grandeur. We lived through days of darkness but never despaired. We never feared for the outcome, although daily we realized that we in this country and those within the British Commonwealth of Nations as it then was, stood alone, facing almost insurmountable odds against us.

The House of Commons is a place for which I have not only deep reverence but affection. Each of us as members of this House contributes something to the chamber. Ulysses said he was a part of everyone he had met. The House of Commons is a part of everyone who has ever sat in this chamber throughout its entire history.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I have seen the House at times when people wonder whether our disagreements are beyond what is reasonable. But the day the House of Commons becomes a place in which the cut and thrust of debate is absent, that day, freedom dies. While we do not all see things the same way, it is essential that each of us should come to realize that the other member has the same desire to help his country.

I will not say more. I have been to the mountaintops and I have been down in the valley. I do not want to mention personal matters, but on an occasion like this, filled with emotion, I do want to say that one's happiness is greatly increased by having a wife to support and to counsel one. I am not passing that on to the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: — by way of a suggestion, but I say to him that if he would follow my advice in that connection he would be amazed at the transition that would take place.

Today I look back over 30 years. Some will say: "What of the House of Commons?" Each of us has his life to live and I can say here today that no one could have had greater happiness than I have known through the fellowship, the friendship and the feelings that pass between those of us who, while we disagree as to the means of achieving them, join in working toward common objectives.

This morning somebody asked me what meant more to me than anything else after all these years as I approach the sunset of life. I sent out to my library, and took these words from John Masefield:

> In the sunset's flush...that most lovely hour
> When the light gentles and the wind is soft
> And beauty in the heart breaks like a flower...

Mr. Speaker, my colleagues and friends in this House: This is a day for me to remember.

Some hon. Members: Hear, hear.

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I should like my first words to be words of appreciation to my colleagues for this manifestation of their feelings on this day.

The Prime Minister raised a question of privilege and there have been many questions of privilege in this House, although I must say I can only recall raising one in my lifetime. He made reference to the figure of 30 used by the news media. May I remind him that this is a figure used by only one section of the news media—those who rely on the written word—and that the media in this modern age have other sections which rely on the spoken word and on pictures. One of

these personalities who attained a great deal of fame in that part of the media used the figure of 39 when he was referring to anniversaries and things of that sort. I wonder what that means in terms of the right hon. gentleman from Prince Albert. Maybe that is not quite equal to the number attained by Moses, but it is quite a large figure in terms of the proponent of that figure on the news media.

I am most appreciative of the gesture of hon. members. It is very interesting, you know, that the whole burden of the attack made against me by the official opposition 30 years ago was that I was too young. Regrettably they have stopped saying it these last few years. But some of them are still very helpful in keeping me here, and I wish them well in that mission in the future.

Some hon. Members: Hear, hear.

Mr. McIlraith: When there are two of us mentioned on an occasion such as this it means we were both here together in this House of Commons. I must say that the right hon. gentleman from Prince Albert gave me a great deal of difficulty in those 30 years. When he was an opposition member in the earlier days he used to persist in asking questions. In those days, when notice was given of his questions and for written questions, I had to dig up the answers to them. Some of the questions were yards long and obtuse and others were very acute. Then came the time when the right hon. gentleman became Prime Minister of the country, and I had an opportunity to get some back by questioning him. I am sure I got a fair amount back, as the right hon. gentleman will remember. Now that the situation is once again reversed I think he feels—and I am sure I speak for him in this regard—that this is an opportunity for him to get some back from me, but I am afraid he has not been getting very much information from me in the last few years.

Some 25 years ago in this House, or a little more, a distinguished guest speaking from the head of the table—it was during the latter part of the war years—referred to "these tremendous times". I have always remembered that phrase in the context in which it was used then. I believe it is an apt reference to the whole 30 years during which the two of us have had the honour to serve in this chamber. They have, indeed, been tremendous times.

• (2:40 p.m.)

It is true there have been great changes. But throughout all this and whatever vicissitudes of work have been mine, I have become firmly convinced that this parliamentary system of government that we seek to practise gives the best opportunity for men and women and their families to develop their lives to the maximum. I only hope that this institution will be able to address itself to the adaptations that are necessary to meet the changing conditions of this day and the requirements of the future, which are coming upon us very quickly, and to do so in a way that those who come 30 years after us will as well say: "These 30 years have indeed been tremendous times".

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members might allow their Speaker to add just one word to what has been said this afternoon. It is a great honour and privilege for me to join with the leaders of the parties who have expressed congratulations and good wishes to the right hon. member for Prince Albert and the Solicitor General for Canada.

The matter was raised as a question of privilege. Some members might say that the question was not raised at the first opportunity, that it might have been raised 30 years ago. However, I will rule, and I am pleased and honoured to have the opportunity to rule, that there is a question of privilege, that it was raised at the first opportunity, and that a motion would be entertained extending unanimously congratulations and good wishes to both the right hon. gentleman and the Solicitor General for Canada.

Some hon. Members: Hear, hear!

PRESENCE IN SPEAKER'S GALLERY OF MAYOR OF WASHINGTON AND WIFE

Mr. Speaker: While I have the floor, and the chair, perhaps hon. members might allow me to bring to their attention the presence in the Speaker's gallery of a very distinguished visitor to Canada and to our nation's capital, the mayor of the city of Washington in the United States, Mr. Walter Washington, and Mrs. Washington.

Some hon. Members: Hear, hear!

PRESENCE IN SPEAKER'S GALLERY OF MAYOR OF OTTAWA AND WIFE

Mr. Speaker: Perhaps I should take this opportunity to welcome to our House for the

Delegates at Niamey Conference

first time since his election to his high office the mayor of the city of Ottawa and his wife, Mr. and Mrs. Kenneth Fogarty.

Some hon. Members: Hear, hear!

[*Translation*]

EXTERNAL AFFAIRS

TABLING OF CORRESPONDENCE ON COMPOSITION OF CANADIAN DELEGATION TO NIAMEY CONFERENCE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to table copies of letters and telegrams exchanged between the government of Canada and the government of the province of Quebec concerning the participation of that province in the Niamey conference which ended recently.

[*English*]

I should like to table as well copy of the telegram sent by the government of Canada to the government of Manitoba concerning this same subject. In both instances, of course, the documents are tabled with the full consent of the respective provincial governments.

GENEVA DISARMAMENT CONFERENCE—TABLING OF STATEMENT ON CHEMICAL AND BIOLOGICAL WARFARE MADE BY CANADIAN REPRESENTATIVE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on February 16 the hon. member for Greenwood (Mr. Brewin) directed a question to me about Canada's attitude on the subject of chemical and biological warfare. In response to that question I should like to table copies of the statement made by Mr. George Ignatieff, our representative at the Geneva Disarmament Conference, on this question.

PUBLIC ACCOUNTS

REFERENCE TO STANDING COMMITTEE OF PUBLIC ACCOUNTS AND VOLUME I, AUDITOR GENERAL'S REPORT

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the House will recall that there was tabled yesterday volume I of the Auditor General's report on the public accounts ended March 31, 1969. If there is unanimous agreement, I wonder whether the following could be made an order of the House:

That the public accounts for the year ended March 31, 1969, and volume I of the Auditor General's report thereon be referred to the Standing Committee on Public Accounts.

[Mr. Speaker.]

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

HOUSE OF COMMONS

EASTER RECESS—ADJOURNMENT FROM MARCH 25 TO APRIL 6

Hon. Donald S. Macdonald (President of the Privy Council) moved:

That when the House adjourns on March 25, 1970 it shall stand adjourned until April 6, 1970, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

THERAPEUTIC ABORTIONS

Question No. 514—**Mr. Rynard:**

1. Since becoming law, how many applications have been received by accredited hospitals for therapeutic abortions under Section 237 of the Criminal Code of Canada?

2. How many therapeutic abortions have been performed in the accredited hospitals?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1 and 2. At the request of the Department of Justice, the Dominion Bureau of Statistics has initiated arrangements with the provinces to secure monthly statistics on therapeutic abortions performed under the Criminal Law Amendment Act. A majority of the provinces are in the process of setting up appropriate arrangements with individual hospitals. As soon as these have been completed, and returns are made available to the Dominion Bureau of Statistics, national statistics will be published on a monthly and annual basis.

LIBERAL CONVENTION, NFLD.—
CNR FACILITIES USED

Question No. 516—**Mr. Carter:**

1. Was the CN Ferry *William Carson* used by the Newfoundland and Labrador Liberal Association during the Leadership Convention in that Province October 31-November 1 and, if so, what amount was charged?

2. Were several CN railway cars used by the Newfoundland and Labrador Liberal Association during the same period for the same purpose and, if so, what amount was charged?

3. Was payment made in advance and, if not, has payment been made?

4. If such transportation services were used, upon the authority of whom?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advises as follows: 1, 2, 3 and 4. Selling accommodation on trains and ships with the objective of gaining revenues is a normal part of the activities of the Canadian National system and no special authority is required for individual transactions. On the occasion referred to accommodation on the *William Carson* which was in St. John's for its regular refit, and aboard railway sleeping cars being stored in St. John's was rented to the Association. It is the practice of the Company not to disclose financial details of arrangements made with others.

DEMURRAGE FEES PAID BY WHEAT BOARD

Question No. 1,003—**Mr. Stewart (Marquette):**

For the crop year ended July 31, 1968, and for the crop year ended July 31, 1969, what demurrage fees were paid by the Canadian Wheat Board to (a) ships at the Port of Vancouver (b) ships at the Lakehead terminals (c) CNR for box cars (d) CPR for box cars (e) any other demurrage fees not included above?

Hon. Otto E. Lang (Minister without Portfolio): As indicated in the Annual Report of the Canadian Wheat Board for the 1967-68 crop year, $86,187 was paid in respect of demurrage charges in that crop year. Of this amount $80,601 was applicable to vessels loading at the port of Vancouver and the balance of $5,585 to vessels loading at the port of Montreal. Particulars of demurrage for the following crop year, that is 1968-69, will appear in the Annual Report of the Canadian Wheat Board for that crop year when it is tabled in Parliament.

WAITING PERIODS FOR UNEMPLOYMENT
INSURANCE BENEFITS

Question No. 1,004—**Mr. Orlikow:**

1. How many people who have applied for Unemployment Insurance benefits have had to wait after applying (a) three weeks or longer before getting their benefits (b) four weeks or longer before getting their benefits (c) five weeks or longer before getting their benefits (d) six weeks or longer before getting their benefits (e) more than six weeks before getting their benefits

2. In Montreal, Toronto, Winnipeg, Vancouver and Halifax, how many employees of the Unemployment Insurance Commission worked overtime in the months of October, November and December, 1969 and how much overtime did these employees work?

Hon. Bryce Mackasey (Minister of Labour):

1. Information afforded by statistical records provide the interval required to process claims from date the application is received to the date authority for payment is issued. Payment cannot generally be made before the third week following the week the application is made as it is in that week or later that the first declaration is received from the claimant.

Week Commencement Date	No. of Claims Received During Week	Percentage of Claims for Which Authority for Payment Issued by 3rd Week	Percentage of Claims for Which Authority for Payment Issued 4th Week or Later
30 Nov. 1969	71,721	98.6	1.4
7 Dec. 1969	67,279	97.4	2.6
14 Dec. 1969	62,666	96.3	3.7
21 Dec. 1969	55,098	98.2	1.8
28 Dec. 1969	65,221	98.6	1.4
4 Jan. 1970	75,818	98.5	1.5

2.

	Montreal	Toronto	Winnipeg	Vancouver	Halifax
October	257	160	5	17	0
November	200	62	9	12	1
December	184	98	30	120	16

Number of hours of overtime worked:

	Montreal	Toronto	Winnipeg	Vancouver	Halifax
October	2294¾	2634¾	39¾	74½	0
November	2038½	1478¾	32½	39	4½
December	1284¾	2396¾	384½	1285½	72½

EMIGRATION FROM CANADA 1950 TO 1969

Question No. 1,048—**Mr. Robinson:**

How many Canadians have emigrated from Canada during each year 1950 to 1969 inclusive, to what countries did they go and have any of them subsequently returned to become Canadian citizens?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports: Estimated emigration from Canada, for the calendar years 1950-1969 and numbers going to United States and Great Britain are shown in the attached Table I. Emigration to other countries is not available. The number of Canadian-born who, after leaving Canada and becoming a national of some other country, returned to Canada and again became citizens are shown in Table II. There are no statistics on the number of Canadian citizens who are non-Canadian born, who leave Canada and later return, and then take out Canadian citizenship.

TABLE I

Estimated Emigration from Canada

Calendar Year	Estimated Total Emigration	Emigrants to United States	Emigrants to Great Britain
1950	45,300	23,251	(1)
1951	49,300	27,277	(1)
1952	59,800	37,848	(1)
1953	57,800	35,842	6,960
1954	57,500	32,941	9,548
1955	62,800	37,206	10,642
1956	67,000	44,061	7,944
1957	73,800	50,057	8,772
1958	62,700	35,687	12,024
1959	68,600	41,395	12,252
1960	75,000	48,682	11,306
1961	72,400	45,209	10,344
1962	75,000	47,579	7,432
1963	76,700	51,512	5,240
1964	80,000	49,995	9,776
1965	79,900	49,656	10,241
1966	58,083	28,837	9,246
1967	68,900	38,854	10,066
1968	67,100	34,583	12,486
1969	(1)	(1)	(1)

(1) Not available.

Note: Emigration to other countries is not available.

Source: The United States Justice Department, Immigration and Naturalization Service; and The United Kingdom General Register Office, Statistical Division.

[Mr. Mackasey.]

TABLE II

Persons granted Canadian Citizenship who were born in Canada, Emigrated and became a National of another country and then returned to Canada for the years 1953-1968:

Year	No. of Citizenships Granted
1953	184
1954	166
1955	181
1956	126
1957	157
1958	177
1959	140
1960	141
1961	142
1962	119
1963	169
1964	163
1965	135
1966	132
1967	130
1968	144

Source: Canadian Citizenship Statistics, Dominion Bureau of Statistics Publication No. 91-205.

Note: The date of emigration or of return to Canada is not available.

CRIMINAL CODE—NUMBER SENTENCED UNDER HABITUAL CRIMINAL SECTION

Question No. 1,084—**Mr. Orlikow:**

1. How many persons have been sentenced under the Habitual Criminal Sections of the Criminal Code and sentenced to preventive detention in each province in each of the years 1960 to 1969?

2. How many of these people are still in prison (a) after ten years (b) after five years?

3. How many of these people have been paroled?

4 How many of these people have violated their parole?

5. How many of these people have returned to prison?

6. How many of these people have received paroles in each of the years 1960 to 1969?

7. Do the inmates serve their original sentence and then serve a number of years before parole is considered?

8. What special programs are made available to these inmates and in what prisons are these programs made available in British Columbia?

9. How much time must be spent on these programs before parole is considered for these prisoners?

Hon. G. J. McIlraith (Solicitor General):

1.

Province	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Nova Scotia	—	—	—	—	—	—	—	—	—	—
Quebec	1	1	1	1	—	—	1	1	2	5
Ontario	1	—	—	—	1	—	—	—	—	—
Manitoba	1	—	—	—	—	1	—	1	—	—
Alberta	—	1	—	1	—	4	2	2	4	—
British Columbia	1	1	1	10	21	14	3	4	1	2
Totals	5	3	2	12	22	19	6	8	7	7

2. (a) N/A; (b) 7.

3. Fifty (46 first parole, four second parole).

4. Twenty-five (23 first parole, two second parole).

5. Twenty-five.

6. 1960, Nil; 1961, Nil; 1962, Nil; 1963, Nil; 1964, Nil; 1965, Nil; 1966, 4; 1967, 17; 1968, 20 (17 first parole, three second parole); 1969, 13 (12 first parole, one second parole).

7. No.

8. Education, vocational training, citizen participation, religion and social education. These special programs are available in British Columbia Penitentiary, Matsqui Institution, Mountain Prison, William Head Institution and Agassiz Correctional Camp.

9. There is no mandatory time limit imposed in respect to these special programs before parole may be considered.

EMPLOYMENT BY PANARCTIC OIL LIMITED OF INDIANS AND ESKIMOS

Question No. 1,109—**Mr. Howard (Skeena):**

1. How many native Indian and Eskimo people are currently employed with Panarctic Oil Limited?

2. In what capacities are they employed?

3. What remuneration do they receive?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. None. Panarctic Oils' operations are conducted by contractors. Contractors working for Panarctic, however, have on their payroll three Eskimos at the Rea Point base camp, one Eskimo at the Drake Point well.

2. All four are labourers.

3. Wages for labourers are $1.75 per hour for an eight hour-day and time and a half per hour for any time in excess of eight hours.

NATIONAL HEALTH AND WELFARE—EFFECTS OF MARIJUANA

Question No. 1,160—**Mr. Robinson:**

Is the research branch of the Department of National Health and Welfare carrying out any studies on the use of marijuana and its effects on users and (a) if so, have any specific conclusions been obtained (b) if not, when will the Department be in a position to advise on the use and effects of marijuana?

Hon. John C. Munro (Minister of National Health and Welfare): No research is being conducted in the Department of National Health and Welfare on the use of marijuana and its effects on humans. (a) non-applicable; (b) further to above statement, it is therefore not possible to predict when the Department will be in a position to advise on the use and effects of marijuana on humans. However, the Commission of Enquiry into the Non-Medical Use of Drugs is studying the current state of medical knowledge respecting the effect of drugs which are liable to abuse.

ACCIDENTS INVOLVING INTER-PROVINCIALLY OPERATED TRUCKS 1968

Question No. 1,165—**Mr. Mather:**

1. What was the number of accidents involving inter-provincially operated trucks by large motor carriers in 1968?

2. What was the number of fatalities in such accidents?

3. What was the approximate property damage?

Questions

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1, 2 and 3. The Dominion Bureau of Statistics does not compile statistics on the number of accidents involving inter-provincially operated trucks by large motor carriers.

NATIONAL HARBOURS BOARD—STATISTICS OF EMPLOYMENT AT EAST COAST PORTS

Question No. 1,179—**Mr. McCleave:**

1. Has the National Harbours Board statistics on employment of labour such as longshoremen at its East Coast ports and, if so, what were the man-hours per month over the last twelve months including January of this year at (a) Montreal (b) Quebec City (c) Saint John (d) Halifax?

2. Have any studies been made of any alteration to the manpower picture caused by containerization?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): The National Harbours Board advise as follows: 1. No.

2. No.

DEPARTMENT OF NATIONAL DEFENCE—PURCHASE OF JET AIRCRAFT

Question No. 1,272—**Mr. Nesbitt:**

1 When was the decision made to purchase four jet aircraft for the Canadian Armed Forces to replace the existing Yukon aircraft?

2. How many Aircraft Companies tendered on this project?

3. Did the Douglas Aircraft Company submit a tender and, if so, what was the amount of the Douglas tender?

4. Did the Department of National Defence discuss with Air Canada the possibility of Air Canada servicing any aircraft made by the Douglas Aircraft Company that might be purchased by DND?

5. What is the estimated annual cost of servicing and repairs for the four Boeing 707 aircraft purchased by DND?

6. How many persons will be obliged to receive training to service these aircraft?

7. What will be the duration of this training period?

8. What is the estimated life of the existing Yukon aircraft?

9. What is the intended disposition of these aircraft?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Treasury Board approved the Boeing program January 29, 1970.

2. Two.

3. Yes, total program cost for four DC8/63CF was estimated to be $66.4 million (Canadian Funds).

[Mr. Mather.]

4. Informal discussions concerning the servicing of DC8F and Boeing 707's were held with Air Canada representatives.

5. The estimated annual cost of servicing four Boeing 707 aircraft is $3 million.

6. 283.

7. The longest course is of 19 days' duration, and the shortest three days. Training commenced in February and will be completed in June 1970.

8. The Yukons have an average of approximately 14,000 hours expended life against an estimated life of 40,000 hours. The unexpended life in the Yukons was taken into account in determining the economics of replacing these aircraft with Boeings at the present time. The annual estimated savings to be realized by operating the Boeings in place of the Yukons is six million dollars.

9. The Yukon aircraft will be declared surplus to National Defence requirements and turned over to Crown Assets Disposal Corporation for disposal.

CLOSURE OF POST OFFICES

Question No. 1,301—**Mr. Peddle:**

1. How many post offices in Canada (a) have been closed during the past year (b) are presently in the process of being closed (c) are being considered for closing, but no final decision yet made?

2. By province, where are these post offices located and what population served in each case?

Hon. Eric W. Kierans (Postmaster General and Minister of Communications): 1.

	(a)	(b)	(c)
Newfoundland	34	83	121
Prince Edward Island	23	3	3
Nova Scotia	82	147	44
New Brunswick	55	52	64
Quebec	145	73	41
Ontario	206	84	62
Manitoba	27	49	44
Saskatchewan	64	62	165
Alberta	65	30	76
British Columbia	20	5	81
Yukon	1	—	—
Northwest Territories	—	—	2

2. (a) See 1. (b) Departmental records are not maintained in such a way that would make it possible to compile these statistics.

EMIGRATION OF CANADIANS TO UNITED STATES

Question No. 1,318—**Mr. Orlikow:**

How many Canadian scientists, research workers, engineers, university professors and medical doctors left Canada to work in the United States in each of the past three years?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: The number of scientists[1], research workers[2], engineers[3], university professors[4], and medical doctors[5], who left Canada for residence in the United States 1966, 1967 and 1968 are as follows:

	1966	1967	1968
Scientists	111	138	98
Research Workers	no information available		
Engineers	998	1,315	1,058
Professors and Instructors	187	185	160
Physicians and Surgeons	473	360	225

Source: United States Department of Justice, Immigration and Naturalization Service.

[1] Scientists include agricultural, biological, geologists, geophysicists, mathematicians, physicists and miscellaneous natural scientists.

[2] There is no classification for research workers in the source material.

[3] Engineers include aeronautical, chemical, civil, electrical, industrial, mechanical, metallurgical, metallurgists, mining, and sales.

[4] Professors and Instructors include college presidents and deans and professors and instructors.

[5] Medical Doctors are described in the source material as Physicians and Surgeons.

Note: 1969 data not yet available.

SALES OF TREASURY BILLS IN 1969

Question No. 1,350—**Mr. Caouette:**

1. In 1969, what was the volume of sales of (a) 91-day (b) 182-day (c) 253-day Treasury bills?

2. What percentage do banks have to pay to buy Treasury bills?

Hon. E. J. Benson (Minister of Finance): 1. The total volume of Government of Canada three month and six month Treasury Bills sold at tender and issued during 1969 was $6,910,000,000 and $1,785,000,000, respectively. There were no 253 day Treasury Bills issued in 1969, but special bills were issued on three occasions. These had terms to maturity of 268 days, 308 days and 364 days and were issued in amounts of $20,000,000, $175,000,000 and $75,000,000, respectively.

2. Treasury Bills are offered for sale to banks and other primary distributors of Government of Canada securities at weekly Treasury Bill auctions and are allotted at such auctions to the highest bidders. At the tender for three month bills held on February 19, 1970, the last auction before the date of the question, the average of successful bids was 7.66 per cent, and the range of such bids was from 7.65 per cent to 7.67 per cent.

ADULT OCCUPATIONAL TRAINING ACT, 1967

Question No. 1,381—**Mr. Robinson:**

Will the federal government consider the advisability of changes in the Adult Occupational Training Act, 1967, by extending the occupational training courses beyond 52 weeks duration of full-time instruction?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): At the present time a trainee may receive up to 52 weeks of educational upgrading and this may be followed by up to 52 weeks of skill training, for a total of up to 104 weeks of full time training. As part of its continuous review of the Canada Manpower Training Program, the Department of Manpower and Immigration is considering the issue of whether this is the best possible arrangement.

DEPARTMENT OF FINANCE—RESEARCH STUDIES 1960-1969

Question No. 1,392—**Mr. Robinson:**

1. What research studies have been carried out by, or on behalf of, the Department of Finance during each year 1960 to 1969 inclusive?

2. What research studies are presently being carried on and/or are contemplated during the next five years?

3. What was the cost of each of the research studies completed in each year 1960 to 1969 inclusive?

4. What is the estimated cost of each of the studies presently in being or contemplated during the next five years?

Hon. E. J. Benson (Minister of Finance): 1. Intergovernmental Liaison on Fiscal and Economic Matters; The Canadian Fiscal Structure and Economic Stability; Trends and Projections of Government Revenues, Expenditures and Debt; Studies for the Federal-Provincial Tax Structure Committee; Trends, Projections and Cost Factors in Federal-Provincial Joint Programs; Studies on Alternative Equalization Formulae; Study concerning Parental Contributions in connection

Questions

with the Canada Student Loans Plan; Survey of the Characteristics of the Post-Secondary Student Population in Canada during the Academic Year 1968-69; Studies on Aspects of the Carter Commission Report on Taxation; Investigation of the Effects of Canada's Present Income Tax System, of the tax structure proposed by the Royal Commission on Taxation, and of various alternatives including the proposals put forward in the White Paper.

2. The Department is engaged in a continuous analysis of the economy and of government programs and their effect upon the economy, drawing upon fundamental research done elsewhere. These analytical studies cannot be identified as specific research studies and it is not possible, at this time, to determine what further studies may be called on now or contemplated during the next five years.

---

3. 1959/60 to 1965/66—Nil.

	1966-67 $	1967-68 $	1968-69 $	1969-70 $
Intergovernmental Liaison on Fiscal and Economic Matters	3,925	35,000		
Study concerning Parental Contributions in connection with the Canada Student Plan		6,200		
Survey of the Characteristics of the Post-Secondary Student Population in Canada during the Academic Year 1968-69			45,000	30,000
Studies on Aspects of the Carter Commission Report on Taxation		12,500	4,500	

In addition, research studies have been prepared in the department as listed below. It is not possible to relate a cost figure to these studies as personnel work on various projects at the one time.

The Canadian Fiscal Structure and Economic Stability;

Trends and Projections of Government Revenues, Expenditures and Debt;

Studies for the Federal-Provincial Tax Structure Committee;

Trends, Projections and cost Factors in Federal-Provincial Joint Programs;

Studies on Alternative Equalization Formulae;

Intergovernmental Liaison on Fiscal and Economic Matters;

Investigation of the Effects of Canada's present Income Tax System, of the tax structure proposed by the Royal Commission on Taxation, and of various alternatives including the proposals put forward in the White Paper.

4. See answers to parts 2 and 3 above.

[Mr. Benson.]

NUMBER OF NATIONAL REVENUE CONSULTANTS 1950 TO 1970

Question No. 1,393—**Mr. Robinson:**

How many consultants have been engaged by the Department of National Revenue during each year 1950 to 1970 inclusive (a) what was the cost of the consultants (b) how were the consultants utilized (c) why were the consultants necessary?

Hon. Jean-Pierre Côté (Minister of National Revenue): For Taxation Division, Three. (a) 1950 to 1967 inclusive, Nil; 1968, $29,187; 1969, $44,813; 1970, $58,500.

(b) (i) Costs totalling $71,000 in 1968 and 1969 represent Taxation Division portion of the costs of a study initiated by the Unemployment Insurance Commission. (ii) A study costing $3,000 to assist in the design testing and implementation Management Insight Training Course material for Taxation personnel is included in 1969 costs. (iii) In 1970, $58,500 covers a Management Consultants' study to review the existing procedures for processing T1 returns and to provide recommendations leading to the most efficient and effective future operations for both the short and long terms.

(c) (i) To study the feasibility of National Revenue, Taxation, taking over the payroll audit and collection functions of the Unemployment Insurance Commission and the development of comparable collection systems. (ii) Neither Departmental or Central Agency resources were sufficient to carry out this study. (iii) Internal resources were not sufficient to undertake this study.

For Customs and Excise, Four. (a) 1950-1965, Nil; 1966, $2,000; 1967 and 1968, Nil; 1969, $40,000; 1970, (Years ending March 31), $14,000.

(b) (i) An Organization and Management Seminar with the purpose of providing advice on plans for the regionalization of Customs and Excise. (ii) A Computer Application Concept Study costing $10,000. (iii) A study costing $30,000 of Planning and Financial and Management Services. This study covered the department's requirements with respect to Planning, Programming and Budgeting, and the organization of the Services Branch. (iv) A personnel climate survey of a departmental area, to examine on a pilot basis the employee morale environment and the potential for improving communications between all organizational levels.

(c) The studies were carried out to develop and apply new organizational concepts and improved management and administrative techniques. Internal resources were not sufficient to undertake the studies.

PORT OF CHURCHILL REPORT

Question No. 1,399—**Mr. Simpson:**

1. What terms of reference were laid down in respect to the report entitled: "Port of Churchill—Potential for Development" prepared for the Department of Transport and the National Harbours Board by Hedlin, Menzies & Associates Ltd. and Gibb, Albery, Pullerits and Dickson, which was tabled in the House of Commons on January 14, 1970?

2. What was the cost of this report?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Terms of Reference for the Transportation Study of the Port of Churchill, Manitoba: 1. Study the present developments in Manitoba along the Hudson Bay rail route and connecting routes to determine: (a) the importance of Churchill to their initial development and present operation; (b) the importance of these various developments to the Port of Churchill. In addition, if it appears desirable, study possible future developments in Northern Manitoba to determine the importance of Churchill to them, and vice versa. Examples: (i) Nelson River Power Development; (ii) Churchill Forest Products Limited.

Examine the factors influencing cargo flows through the Port of Churchill and identify those factors which may have impeded the growth of traffic, and comment on the possibility of modifying the impediments. In this context, the following should be reported on: (a) effect of short shipping season; (b) shipping services and ocean freight rates; (c) vessel insurance practices; (d) navigation hazards —both at Churchill and the route from Atlantic Ocean incl. Hudson Strait and Hudson Bay; (e) port facilities and services (including manpower); (f) inland transportation rates and services; (g) import commodity distribution practices; (h) policies of federal government agencies directly or indirectly with the marketing of grain; (i) Other factors which may be of relevance.

Examine the cargo handling capability of existing port facilities under normal conditions in relation to (a) current and (b) anticipated traffic flows (see Items 4 and 5 below).

Forecast traffic volume (over 5, 10 and 20 years) that may be anticipated with no major changes in existing facilities and services.

Forecast traffic volumes (over 5, 10 and 20 years) assuming that existing facilities or practices are modified (as may be suggested under paragraph 2 above).

Traffic flows, both actual and potential, should be examined under the general headings of coasting trade and ocean traffic and each of these general headings should be further subdivided as follows: (a) general cargo; (b) bulk cargo; (i) grain; (ii) other bulk commodities.

Report on steps or procedures which may increase traffic flow through the Port of Churchill and estimate the benefits and costs of any expenditures (capital or operating) which may be involved.

In addition to studying Churchill as a deepsea ocean port and rail terminal, (a) appraise its role (both present and potential) as a supply and transportation service centre for Northern Canada; (b) appraise its need for highway transportation.

In carrying out the study, cognizance must be taken of such developments in modern transportation technology as containerization, increased use of larger bulk carriers, bubbler systems, technical innovations facilitating ice navigation cargo submarines, etc.

Questions

Cognizance must also be taken of existing studies, in particular the report by Sir Alexander Gibb & Partners, prepared for the Government of Manitoba, September 1962, "Port Churchill—Future Developments" and the National Research Council study on the "Feasibility of Extending the Navigation Season at Churchill Harbour" December, 1966.

Throughout the study, it will be mandatory to keep in close touch with the Manitoba Royal Commission's work, especially with its comprehensive examination of resources and economic developments in Northern Manitoba.

2. $56,500.

PERSONNEL OF CANADIAN TEAM ENGAGED IN CANADA-UNITED STATES NEGOTIATIONS

Question No. 1,419—**Mr. Schumacher:**

1. Who are the members of the Canadian team engaged in Canada/United States bilateral negotiations respecting airline routes?

2. How many, and which departments are represented on the team?

3. Who is the chairman of the team?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The members of the Canadian Delegation for the first round of the Canada-United States Bilateral Air Negotiations held in Washington on December 15, 1969, were: A. E. Ritchie, Ambassador, Canadian Embassy, Washington, D.C., Head of Delegation; G. Morisset, Chairman, International Transport Policy Committee, Canadian Transport Commission, Deputy Head of Delegation; R. E. Reynolds, Head, Transport, Communications and Energy Division, Department of External Affairs; R. Azzie, Director, International Relations Branch, International Transport Policy Committee, Canadian Transport Commission; J. W. Green, Executive Director, Air Transport Committee, Canadian Transport Commission; Miss D. Burwash, Counsellor, Canadian Embassy, Washington, D.C.; R. T. Y. Yang, Department of Transport; Miss A. Szlazak, Transport, Communications and Energy Division, Department of External Affairs; C. I. Taylor, General Manager, Marketing Research, Air Canada—Observer; H. D. Cameron, Vice-President, International Affairs, CP Air—Observer.

2. The Departments of External Affairs and Transport, and the Canadian Transport Commission were represented on the Delegation—i.e. two Government departments and one agency.

[Mr. Loiselle.]

3. The Head of the Canadian Delegation, as indicated above, was Mr. A. E. Ritchie, at that time Canadian Ambassador to the United States, now Under-Secretary of State for External Affairs.

The Delegation for the second round of negotiations has not yet been named.

EIDERDOWN HARVEST

Question No. 1,426—**Mr. Orlikow:**

What was the harvest of eiderdown in (a) the Lower St. Lawrence area (b) the Arctic regions for the years 1965, 1966, 1967, 1968 and 1969?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) The Lower St. Lawrence Area.

	Pounds of uncleaned down
1965	1,380
1966	1,897
1967	1,687
1968	1,922
1969	2,044

(b) The Arctic Region

	Pounds of uncleaned down
1965	569
1966	630
1967	2,490
1968	2,370
1969	6,109

EDUCATION AND HOUSING EXPENDITURES FOR INDIANS

Question No. 1,468—**Mr. Mazankowski:**

What was the total expenditure for the Indian population, for education and housing in the fiscal years 1966-67, 1967-68 and 1968-69?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Total expenditures:

Indian Housing	
1966-67	$ 8,828,658
1967-68	$14,050,000
1968-69	$14,341,000
Indian Education	
1966-67	$53,000,000
1967-68	$58,933,000
1968-69	$68,981,000

JASPER NATIONAL PARK—FIRE FIGHTING EQUIPMENT

Question No. 1,474—**Mr. Mazankowski:**

1. What are the measurements, size and thread, of the couplings and hydrants in Jasper National Park?

2. Could an exchange of other hoses, pumps and fire-fighting equipment be made by outside help should an emergency ever arise in Jasper National Park?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) Townsite hydrants, fittings and couplings used thereon are 2½ inch size with 6 threads per inch. (b) Campground standpipes and all couplings used in campgrounds and for forest fire protection are 1½ inch standard forestry type CSA B 89-1954 with 11½ threads per inch.

2. (a) For hoses and fire fighting equipment using 2½ inch couplings—Arrangements are being made to obtain a supply of adaptors which will allow Alberta equipment to be used with the present Jasper hydrants and couplings. (b) For hoses, pumps and fire fighting equipment using 1½ inch couplings—Yes.

ACTION AGAINST PIERRE BOURGAULT RESPECTING INCOME TAX

Question No. 1,508—**Mr. Dinsdale:**

1. Has the government taken action against Pierre Bourgault of the Province of Quebec with respect to income tax matters?

2. What has been the result of any such action?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1 and 2. This information is confidential and cannot be divulged.

NATIONAL DEFENCE—MEAFORD TANK RANGE

Question No. 1,524—**Mr. Noble:**

Is it the intention of the government to phase out the Meaford Tank Range and, if so, would the government convert the area into a national park?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): No, the Meaford Range will continue to be used by both the regular and reserve units located in the area.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL CABINET STAFF SALARIES

Question No. 326—**Mr. Coates:**

1. How many members of the staffs of members of the federal cabinet receive a salary of $12,000 or more?

2. In each instance, what is the name of the person who receives $12,000 or more and what is the actual amount of his salary?

Return tabled.

PERSONNEL OF PRIME MINISTER'S OFFICE

Question No. 334—**Mr. Crouse:**

1. What are the names of the persons appointed to the Prime Minister's office staff since he became Prime Minister, their position, the date of their appointment and their salary per annum?

2. How many of these appointments were filled by the Public Service Commission?

3. What are the names of the persons appointed to the Privy Council Office under the present Prime Minister, their position, the date of their appointment and their salary per annum?

4. How many of these appointments were filled by the Public Service Commission?

5. How many persons were employed on the Prime Minister's office staff by the previous Prime Minister, their position and their salary per annum?

6. How many persons were employed in the Privy Council Office by the previous Prime Minister, their position and their salary per annum?

7. How many of the present Prime Minister's staff will be dismissed under the government austerity program?

Return tabled.

DOMINION BUREAU OF STATISTICS—NUMBER OF PERMANENT INVESTIGATORS

Question No. 918—**Mr. Rondeau:**

1. By province, how many permanent investigators does the Dominion Bureau of Statistics have on the road in Canada?

2. How many are there in each constituency in Quebec?

3. What are the names and addresses of the investigators in the constituencies of Shefford, Drummond, St-Hyacinthe and Sherbrooke?

4. What is the hourly wage of these investigators?

5. What type of expense account do they have?

6. What is the average annual cost of each of these investigators?

Return tabled.

CMHC STATISTICS

Question No. 957—**Mrs. MacInnis:**

1. Of the 169,739 new dwelling units started in 1969 in Canadian centres of 10,000 population and

over (a) how many were (i) single detached (ii) double or duplex (iii) row (iv) apartment and other (b) how many in each category were started in each of the ten provinces (c) how many of these starts were (i) private (ii) public (iii) limited dividend (d) how many were built with the aid of CMHC loans (e) how were these CMHC loans distributed as among provinces (f) what was the rate of interest on these loans?

2. Of the 169,739 new dwelling units started in 1969, how many cost (a) under $10,000 (b) from $10,000 to $15,000 (c) from $15,000 to $20,000 (d) from $20,000 to $25,000 (e) from $25,000 to $30,000 (f) from $30,000 to $35,000 (g) over $35,000?

3. How many applications for CMHC housing loans for these 169,739 new dwellings were granted to individuals with incomes of (a) under $5,000 (b) between $5,000 and $8,000 (c) between $8,000 and $10,000 (d) between $10,000 and $15,000 (e) between $15,000 and $20,000 (f) between $20,000 and $25,000 (g) over $25,000?

Return tabled.

PERSONNEL OF PRIME MINISTER'S OFFICE

Question No. 1,210—**Mr. Coates:**

1. On what date, was Dr. Gerard V. G. LaForest taken on strength by the Prime Minister's Office, what will his duties be and what will he receive in salary?

2. What is the total staff of the Prime Minister's Office at the present time, what are the names of the individuals, the duties and salary of each and on what date was each taken on strength?

3. Is it the intention of the Prime Minister to make any further additions to his staff and, if so, how much additional staff is contemplated and what will be the responsibilities of the additional staff members?

Return tabled.

MOTIONS FOR PAPERS

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, notice of motion for the production of papers No. 368 is acceptable to the government.

WHEAT BOARD UNIT AND ONE-BUSHEL DELIVERY QUOTAS, SASKATCHEWAN

Motion No. 368—**Mr. Burton:**

That an Order of the House do issue for a copy of a list of the 388 elevator delivery points in Saskatchewan which were on a Canadian Wheat Board initial unit quota on February 9, 1970, and a list of the 567 elevator delivery points in Saskatchewan which were on a one-bushel per specified acre Canadian Wheat Board quota on February 9, 1970.

Motion agreed to.

Mr. Groos: Mr. Speaker, notice of motion 397 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the reservations and conditions mentioned by the Parliamentary Secretary, is it the pleasure of the House that notice of motion No. 397 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

VEHICULAR DELIVERY OF MAIL CONTRACTS, MONTREAL

Motion No. 397—**Mr. Macquarrie:**

That an Order of the House do issue for copies of contracts and agreements and relevant documents relating to the vehicular delivery of mail in Montreal with effect from April 1, 1970.

Motion agreed to.

Mr. Groos: Mr. Speaker, will you be so kind as to call notices of motions Nos. 14, 309, 377 and 392. I ask that the other notices of motions be allowed to stand.

PATENT AND COPYRIGHT LAWS

Motion No. 14—**Mr. Nystrom:**

That an Order of the House do issue for a copy of the report of the federal inter-departmental committee under the Commissioner of Patents regarding patent and copyright laws in Canada.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the inderdepartmental committee referred to in this notice of motion was established to draw together a group of persons from various departments of government who are knowledgeable of copyright matters pending receipt of the report from the Economic Council of Canada on copyright. The committee itself has not prepared a report. In view of this I ask the hon. member to withdraw his motion.

Mr. Nystrom: I withdraw the motion, Mr. Speaker.

Mr. Speaker: Motion withdrawn.

Order discharged and motion withdrawn.

RITCHIE REPORT ON RESEARCH INSTITUTE

Motion No. 309—**Mr. Nystrom:**

That an Order of the House do issue for a copy of the Ritchie report on "the establishment of a Research Institute where long term research and

thinking can be undertaken on governmental matters of all kinds" as mentioned by the Parliamentary Secretary to the Prime Minister and reported in *Hansard* of November 19, 1969 at page 996.

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Mr. Speaker, the policy matters dealt with in this report, which was received from Mr. Ritchie in December last, are now under examination by the government and will be the subject of publication in due course. In view of this, perhaps the hon. member would wish to withdraw the motion.

Mr. Nystrom: In view of that, Mr. Speaker, I will withdraw it.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

WHEAT BOARD REGULATIONS—CORRESPONDENCE WITH PROVINCIAL MINISTERS OF AGRICULTURE

Motion No. 377—**Mr. Southam:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence between the Government of Canada and the Ministers of Agriculture of the Provinces of Saskatchewan, Alberta, Manitoba and British Columbia, concerning the application and enforcement of the Regulations of the Canadian Wheat Board, between December 1, 1969 and January 31, 1970.

Mr. Macdonald (Rosedale): Stand.

Mr. Speaker: Stand.

LOWER INVENTORY FOR TOMORROW AND WHEAT ACREAGE REDUCTION PROGRAMS

Motion No. 392—**Mr. Burton:**

That an Order of the House do issue for a copy of all background studies and reports prepared for the government in connection with the Lower Inventory for Tomorrow and Wheat Acreage Reduction Programs.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I am informed by the hon. Otto E. Lang, Minister without Portfolio, that there are no background studies or reports prepared for the government as requested by the hon. member. Background material on this subject has been prepared by government officials. However, such material constitutes internal government documents and is therefore privileged. As there is no material suitable for tabling, the minister would ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): On behalf of the hon. member it had better be transferred for debate.

Mr. Speaker: Transferred for debate.

ORAL QUESTION PERIOD

THE AUDITOR GENERAL

INQUIRY AS TO LEGISLATION TO IMPROVE EFFICIENCY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. In view of the indication in the report of the Auditor General that all is not yet perfect in the area of government expenditures, can the President of the Treasury Board tell us when the government will be introducing the legislation the Auditor General has been seeking to better define and enable him to carry out his position, duties and responsibilities? Can the President of the Treasury Board give the House the time when this legislation will be introduced?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I do not think I can give a time. I recognize that there are certain things wrong with the present legislative arrangements in respect of the Auditor General, and to this end studies have been conducted looking toward new legislation. I have not been able to get a satisfactory time as yet from the House Leader so I would hesitate to give any undertaking.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. It is apparently not only the existing legislation that is not entirely satisfactory. Does the President of the Treasury Board intend to take any steps to ensure that the arrangements in respect of staff for the Auditor General are more satisfactory to the Auditor General so that as an officer of this House he will not be dependent upon the overriding decisions of the minister and so that he will have the staff that he thinks he requires in order to do the job of investigation which obviously, as can be seen from his report, is required?

Mr. Drury: Mr. Speaker, I might point out in this connection that the authorized establishment of the Auditor General has never up until the present been filled. The numbers authorized have always exceeded the strength. This continues to be the case. If the

Auditor General, by filling his establishment up to authorized strength, indicates that it is possible to secure more people for his purposes and that they are indeed available and can be attracted and that more people are needed, then there is no question but that the authorized establishment would be increased. The principal purpose of trying to arrive at numerical ceilings in these cases is rather more for budgeting purposes in an effort to obtain some accurate forecast of the total cost of personnel in the government than to try to impose a manpower ceiling.

Mr. Stanfield: One further supplementary, Mr. Speaker. It is apparent that the Auditor General is dissatisfied with the arrangements. Could it be that the positions are set up in such a way and that the salary and other arrangements are such that it is not possible for the Auditor General to have these positions filled under the arrangements which now exist? Is the minister saying the fault is the Auditor General's or would he admit that there must be something wrong with the establishment?

Mr. Speaker: Order, please.

REPORT ON ESTABLISHMENT OF INTERNAL AUDIT SYSTEMS

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. In line with the recommendation contained in the Glassco Commission report that an internal audit system be established in all departments of government and in view of the fact that the Auditor General reports that these have been established in only 13 out of a total of 40 departments, can the minister say how soon these internal audit systems will be established in the other departments?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, as part of the internal organization we recognize it is an important problem. Without trying to establish a timetable I can say we are proceeding as rapidly as people can be recruited and the organization put in place to achieve this. It is recognized it is important. Indeed, in a number of major government departments such a system is already in operation.

Mr. Hales: Mr. Speaker, in view of the fact that this program was instituted one year ago does the minister not think it should have been completed by now?

Mr. Speaker: The question clearly is argumentative.

[Mr. Drury.]

CHANGE IN FORMAT OF REPORT

Mr. Jack Cullen (Sarnia): Mr. Speaker, I have a question for the President of the Treasury Board. I wonder whether the President of the Treasury Board is going to suggest that the Auditor General change the format of the presentation of his report so that it could be more objectively presented and in a fairer manner than is the case at present?

Some hon. Members: Oh, oh!

An hon. Member: Who put you up to that one? Which minister wrote that question for you?

Mr. Speaker: Order, please.

Mr. Cullen: On a question of privilege, Mr. Speaker, following in the footsteps of my friend, the hon. member for Ontario, I do not wish to become involved in a debate, but I think it should be pointed out to members opposite that this is a question I worked on myself as a result of doing a bit of investigation and finding out that if the Auditor General presented a report on his own organization we would find that he overshot his budget—

Mr. Speaker: Order, please. I am sure it is assumed and recognized by hon. members that all members prepare their own questions and give their own answers.

INDUSTRY

CRITERIA FOR PAYMENTS TO AUTOMOBILE COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I desire to direct a question to the Minister of Finance arising out of the Auditor General's report where he comments on the fact that in excess of $180 million has been paid to automobile companies under Order in Council P.C. 1969-172. In view of the statement by the Auditor General to the effect that the Department of Industry, Trade and Commerce and the Department of Finance follow criteria additional to those incorporated in Motor Vehicle Tariff Order 1965 and that the officials of these departments appear to place greater emphasis on criteria not included in the Tariff Order than on certain criteria which are included, can the minister tell the House what are the criteria used by the Department of Finance and by the Department of Industry, Trade and Commerce and what is the basis in law for those criteria?

Mr. Speaker: Order, please. I will allow the minister to reply to this question if he can do so briefly. However, it is obvious that basically the question as asked by the hon. member is perhaps complex and the type of question which normally calls for an extended statement on motions. Second, I suggest to hon. members that we should not really get into a detailed discussion of a report which, if I understand the proceedings, was referred to a committee of the House a few moments ago. This having been said, perhaps the minister might reply.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as my hon. friend is following Murphy's law I should like to take the question as notice.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this happens to be Henderson's law and it is very important that we have some information. May I ask the minister whether or not the government intends to act on the Auditor General's recommendation that these criteria which have been used be incorporated in the motor vehicles tariff order in order that the payments made will be made under that order and not by the very dubious method of paying them through orders in council?

Mr. Benson: Mr. Speaker, Mr. Henderson has many duties and one of them is not writing the law. I will be pleased to take my hon. friend's suggestion into consideration.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister, or any minister who is prepared to answer for the government, this question. Since the Auditor General has raised this matter in successive reports, why has no action been taken and why does the government continue to make these payments, which are now in excess of $180 million, by order in council rather than in the way set forth by the statutes of this country?

Mr. Benson: Mr. Speaker, as an accountant I would simply like to say that accountants make poor lawyers.

An hon. Member: And poor politicians!

[*Translation*]

GRAIN

SUGGESTED DISSOLUTION OF CANADIAN WHEAT BOARD

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Prime Minister. Since the Canadian Wheat Board has demonstrated its inefficiency at the international level, in letting mountains of wheat accumulate, could the Prime Minister tell the House if he is considering the abolition of the Commission in order to encourage free trade between eastern and western Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take the question as notice. I must admit that I did not hear the question very well.

[*English*]

FINANCE

POSSIBLE REDUCTION OF INTEREST RATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of the statement yesterday by the president of the Bank of America, the largest bank in the world, that he is confident that the prime interest rate in the United States will drop by June at the latest, does the information the minister has received from the governor of the Bank of Canada and the chairman of the Economic Council of Canada indicate to him that such an eventuality may also take place in Canada in the near future?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, there has certainly been some easing of interest rates in the United States and in Canada and I am hopeful that, as the effective methods we have followed in fighting inflation are successful, interest rates will ease further.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. I notice the minister has been having some difficulty with communication. I wonder whether he has received any communication on the subject from Senator Lamontagne?

Mr. Benson: No, Mr. Speaker. As a matter of fact, I have not talked to him recently.

[*Translation*]

PENITENTIARIES

ST. VINCENT DE PAUL—REQUEST FOR INQUIRY INTO SUICIDES

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the Solicitor General.

I would have preferred not to deal with this matter today, because it is a memorable day

for the Solicitor General, but as the House is about to recess for ten days or so, I should like to know—as a fifth suicide has recently happened at St. Vincent de Paul penitentiary and due also to charges of negligence laid against the authorities of that penitentiary—if he has ordered a complete investigation on the causes of this disastrous situation.

[*English*]

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, an inquiry is going on into this particular incident. I should add that I am very concerned about the large number of these cases and I am giving attention to trying to find out what form of investigation we should have to discover more than we now know about the underlying causes for the number of suicides in that institution.

FISHERIES

WEST COAST COMMERCIAL SALMON FISHING —REQUEST FOR SUSPENSION OF REGULATIONS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry arising out of the fact that the House is about to recess and that the Standing Committee on Fisheries and Forestry will not have completed its consideration of the salmon licencing provisions proposed by the minister prior to the time when commercial fishermen will be applying for renewal of licences in British Columbia. In view of this, will the minister agree to suspend the application of his phase two proposals until the standing committee has completed its consideration? Alternatively, if he will not agree to a general suspension will he agree at least to suspend the application of these provisions so far as Indian fishermen in British Columbia are concerned?

Hon. Jack Davis (Minister of Fisheries and Forestry): It would be impossible to accede to this request, Mr. Speaker. A number of the fishermen have already paid their fees for this year.

Mr. Barnett: Mr. Speaker, I address a related question to the Minister of Indian Affairs and Northern Development in view of the reply received from the Minister of Fisheries and Forestry. Will the Minister of Indian Affairs and Northern Development say whether he agrees that all Indian fishermen, if they are not otherwise able to do so, should be assisted in paying the $100 salmon licencing fee, in order that they may not be squeezed out of their traditional method of earning a livelihood because of the action of his colleague the Minister of Fisheries and Forestry?

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like to direct a question to the hon.—

[*English*]

Mr. Speaker: Order. I gather the hon. member for Comox-Alberni is waiting for a reply to the question he asked a moment ago.

Mr. Barnett: No, Mr. Speaker. In view of the fact that apparently I am not to get an answer from the Minister of Indian Affairs and Northern Development, I would like to address a supplementary question to the right hon. Prime Minister. Will the Prime Minister see that the two ministers to whom I have addressed my questions get together and work out an arrangement which will protect the Indian fishermen of B.C. from being deprived of their basic livelihood?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall simply answer by saying that I shall look into this matter and that I intend to discuss it with the Minister of Fisheries and Forestry in order to reach a solution.

NATIONAL PARKS

FORILLON—TRANSFER OF LANDS FOR ESTABLISHMENT OF PARK

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

As more than six million Quebecers are awaiting the development of a national park in Quebec and in view of a statement by the Hon. Marcel Masse in Rimouski two weeks ago, could the minister tell the House whether the province of Quebec has made available land for the development of the national park at Forillon and when work will start on the project?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not yet received official confirmation of this land transfer from the Minister of External Affairs or rather of Intergovernmental Affairs of Quebec. As I said before, we will start work when the land is transferred to us.

[*English*]

POLLUTION

MERCURY CONTAMINATION OF FISH IN LAKE ST. CLAIR

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I direct my question to the Minister of Fisheries and Forestry. Following the disturbing information given yesterday relative to mercury contamination of certain species of fish, particularly pickerel, in Lake St. Clair, can the minister say whether further tests indicate that harmful levels have been found in the other large catch in that area, namely perch?

Hon. Jack Davis (Minister of Fisheries and Forestry): Pickerel is the only species in which have been found amounts of mercury which might be deemed to be harmful. Other important commercial species such as perch are completely free of any of this contamination so far as we can determine.

Mr. McCutcheon: I ask the minister a supplementary question. Has any consideration been given, since the ban on pickerel fishing went into effect yesterday, to support the fishermen who depend on this fishery for their livelihood? Will there be something similar to what was done, for example, in Newfoundland?

Mr. Davis: Yes, this matter has been discussed with the Department of Lands and Forests in the government of Ontario.

Mr. Jack Cullen (Sarnia): My supplementary question is for the Minister of Fisheries and Forestry. Has the industry responsible been told to curb this pollution, and has it in fact taken steps to do so?

Mr. Davis: The company which owns both of the plants in Sarnia was approached several months ago by the Ontario Water Resources Commission after we had begun our studies on mercury pollution. The company, was told in effect, to clean up the plants. One plant has done so and the other one is in the process of conversion at the present time.

[*Later:*]

MONITORING OF PLANTS USING MERCURY

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a supplementary question about mercury poisoning. I ask the minister whether his department has a list of all the manufacturing plants in Canada which use mercury in their manufacturing processes and might be a source of contamination. If so, are they being monitored for possible contamination?

[*Later:*]

Mr. Harding: On a question of privilege, Mr. Speaker, I directed a question to the Minister of Fisheries and Forestry a few moments ago and I think he was not aware that I had put the question to him. Might I repeat it? Has his department a list of all the manufacturing plants in Canada which use mercury in their manufacturing processes and which might be a source of mercury contamination and, if so, are they being monitored by his department for possible contamination?

Hon. Jack Davis (Minister of Fisheries and Forestry): The answer, Mr. Speaker, is yes. We have prepared a list of all chlor-alkali plants which use mercury, and these have been checked out by our fisheries research people or by the provincial departments with which we work.

Mr. Harding: A supplementary question, Mr. Speaker. Does current legislation under the Fisheries Act allow the minister's department to handle the contaminants which are being put into the rivers, or does the act need amendment and, if so, will the amending legislation be introduced this session?

Mr. Speaker: Order, please. The hon. member will recognize that his question is not in order.

CANADA DEVELOPMENT CORPORATION

INQUIRY AS TO LEGISLATION

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the right hon. Prime Minister. Can the Prime Minister inform the House when he expects to introduce legislation setting up the Canada Development Corporation?

Right Hon. P. E. Trudeau (Prime Minister): I think it will be brought in within a month or two.

Mr. Thompson: Would the Prime Minister inform the House whether the government has reached a decision regarding the selection of a qualified person to serve as general manager or president of Denison Mines in the event of a takeover by the government?

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

CONTRAVENTION OF BILL OF RIGHTS BY HATE LEGISLATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, some weeks ago I asked the Minister of Justice whether following the decision of the Supreme Court of Canada in The Queen *v.* Drybones the law officers of the Crown had been asked to give their opinion as to the competence of Parliament to pass the hate literature bill and its constitutionality.

Hon. John N. Turner (Minister of Justice): I said at that time, Mr. Speaker, that the law officers of the Crown of course had passed on that bill before the case was decided but that as a result of the right hon. member's question I referred it back to the Deputy Minister of Justice and the law officers of the Crown. They have again confirmed to me that there is nothing in the Canadian Bill of Rights, as interpreted by the Drybones decision, which in any way would invalidate the hate literature bill.

CANADIAN SOVEREIGNTY

THE ARCTIC—REQUEST FOR STATEMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. Will he either table a report or make a statement in the House as soon as possible on the results of the high-level discussions on the question of Arctic sovereignty that I understand are going on with the American government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there are no discussions going on at the present time with the American government about Arctic sovereignty. We did have a meeting last week with Mr. Alexis Johnson who brought some officials here with him to talk about this and other subjects. The next step in the procedure will be bringing legislation before this House.

HEALTH AND WELFARE

AVAILABILITY OF DIABETIC FOODS ON PRESCRIPTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare. In view of the alarming statement made by a research doctor at the University of Wisconsin that saccharine used as an artificial sweetener and in diabetic foods may be cumulative to cancer-causing levels, and in view of the removal of cyclamates within the next few months, would the minister consider making available diabetic foods on prescription?

Hon. John C. Munro (Minister of National Health and Welfare): That matter is under consideration, Mr. Speaker.

LABOUR CONDITIONS

HAMILTON—ACTION TO REDUCE EFFECT OF LAY-OFFS BY NATIONAL STEEL CAR AND INTERNATIONAL HARVESTER COMPANIES

Mr. Speaker: The hon. member for Hamilton West.

Mr. Lincoln M. Alexander (Hamilton West): Thank you very much, Mr. Speaker. It was a little easier getting your attention today when I did not stand. In any event, I would like to direct a question to the Minister of Labour since the Minister of Manpower and Immigration is not in the House. It has to do with the lay-offs planned by the National Steel Car Company and International Harvester in Hamilton which apparently will affect some 600 skilled and unskilled workers. Is the minister aware of this, and has there been any consultation or dialogue between these companies and his department in an attempt to reduce the effects of the lay-offs by way of financial assistance, special employment arrangements or special retraining programs?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the hon. gentleman knows that these problems fall under the jurisdiction of the province of Ontario rather than under the federal government. In any event, I will bring the question to the attention of the Minister of Manpower and Immigration because it does not come under the Department of Labour. I do not know what correspondence, if any, he has received on the subject, but I certainly will bring it to his attention.

CONSUMER AFFAIRS

PROTECTION AGAINST REFERRAL SALES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Have the abuses of the sales practice commonly known as referral sales been brought to the attention of the minister and, if so, what action has been taken by his department to protect consumers?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I take it

that the hon. member is referring to a report from the Canadian Consumer Council, which of course I have read very carefully. The practice can most successfully be outlawed by provincial legislature and the legislature of British Columbia outlawed it last year. I was in Saskatchewan last week, and the legislature there was debating a bill introduced by the Attorney General of Saskatchewan, an amendment to the Direct Sellers Act of Saskatchewan, outlawing the practice in Saskatchewan. I would hope, with the Consumers Advisory Council, that other provinces might take similar action.

[*Later:*]

Mr. Dinsdale: As a supplementary question, is it the intention of the minister and the government to deal with the matter of referral sales by amendments to the Combines Investigation Act, as recommended by the Consumers Advisory Council of Canada?

Mr. Basford: Mr. Speaker, the council made recommendations to the provinces and also to myself relative to the Combines Investigation Act. As the hon. member knows, or should know, we are currently reviewing the Combines Investigation Act and I hope to introduce a revised act this session. In the course of that review we are looking at a number of trade practices that may require attention.

REQUEST FOR STATEMENT ON LACK OF FOOD FRAUD PROSECUTIONS

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member for Vancouver-Kingsway asked a question on Monday, as recorded at page 5342 of *Hansard*, relative to prosecutions under the Food and Drugs Act with regard to economic fraud in the sale of food and food products, and why there were no prosecutions undertaken by my department from early 1969 to November, 1969. The reason is that the statistics on prosecutions were reported for that period by the Department of National Health and Welfare, who were actually undertaking the prosecutions for my department. Since we started doing the prosecutions ourselves in December, 1969, from then to the present day there have been 16 cases initiated, leading to two convictions, and the other 14 are still proceeding.

Inquiries of the Ministry

REGIONAL ECONOMIC EXPANSION

SYDNEY, N.S.—INVESTIGATION OF HUSTLER CORPORATION

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion, but since he is not here I will direct it to his able Parliamentary Secretary. Has the Department of Regional Economic Expansion recently begun an investigation into the affairs of Hustler Corporation in Sydney, Nova Scotia, with the intention of determining whether there has been a misuse of public funds?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): I would have to take that question as notice, Mr. Speaker.

INFORMATION CANADA

QUALIFICATIONS OF NEW DIRECTOR

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question would have been directed to the Minister without Portfolio in charge of Information Canada, but he was not in the House on Monday and he is not here today although these are his duty days. Therefore my question is directed to the Prime Minister. In view of the remarks of the new head of Information Canada to fellow federal information officers that he "belongs to a generation for whom the very word propaganda was a dirty word. I don't believe in propaganda"—end quote—

Mr. Speaker: Order, please. The hon. member reached the end of the quote just in the nick of time.

Mr. Nowlan: Mr. Speaker, I had to give the quotation before asking the question. I ask the Prime Minister, is this the same Jean-Louis Gagnon who between 1955 and 1958, as set out in Who's Who of Canada, 1968, was the chairman of the committee on publicity and propaganda of the federal Liberal Party in Quebec?

Mr. Speaker: Order, please.

Mr. Nowlan: As a supplementary—

Mr. Speaker: Order, please. That question was not in order. Perhaps the hon. member has a different question to ask. I am sure he realizes that the question cannot be asked in these terms. He may have another question that could be accepted from a procedural standpoint.

Inquiries of the Ministry

Mr. Nowlan: I appreciate you ruling on the question, Mr. Speaker, but I just wanted to bring it to the attention of the Prime Minister. Does the Prime Minister consider that a man who was the founder of the Quebec Liberal Party in 1955, and served as chairman of the propaganda and publicity committee as set out in Who's Who, could be an objective, non-partisan head of the new service called Information Canada to allay the suspicions of many people in this country that it is going to be a propaganda tool?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not concerned with allaying suspicions which are clearly unfounded. Mr. Jean-Louis Gagnon is a very distinguished journalist and has been honoured as such by his fellow members of the press in this country. He has performed an excellent job as a royal commissioner, and whether or not he was active in politics ten years ago to me is irrelevant.

Mr. Nowlan: Mr. Speaker, a supplementary question. Has the government decided what it is going to do with the third report of the B and B Commission; and if that decision runs counter to the report, what is the position of Mr. Gagnon?

Mr. Trudeau: He would be in the position of other royal commissioners whose reports are not implemented. The question is purely hypothetical but that would be his experience, and it would not be unusual for royal commissioners to be in that position.

SOCIAL SECURITY

INQUIRY AS TO TABLING OF WHITE PAPER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Will the minister now undertake to table in the House early after we return in April the white paper on social security, so that we can get moving on old age pensions and the war veterans allowance?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not believe the white paper will be ready by the time the hon. member indicated.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a supplementary question. When does the Minister of National Health and Welfare believe the white paper will be ready?

[Mr. Speaker.]

Mr. Munro: The only assurance I can give, Mr. Speaker, is that it will be ready before the end of this session.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will it be in time for any action to be taken on it during this session?

Mr. Munro: I do not believe so, Mr. Speaker.

BUSINESS OF THE HOUSE

LEGISLATION RESPECTING NATIONAL ANTHEM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Government House Leader. Has he, as a good little Easter bunny, any news for us about the status of our national anthem and the state of negotiations between the government and members of the Weir family with regard to releasing it, so that Canadians can have a national anthem in fact and in law?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I am hopeful that one of the other bunnies will have an opportunity during the recess to discuss this matter with the people involved.

Mr. Forrestall: No progress!

[*Translation*]

TAXATION

WHITE PAPER ON REFORM—EFFECT ON ECONOMY OF QUEBEC

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the Minister of Finance.

Has he received any criticisms from the opposition leader in the Quebec legislature (Mr. Bourassa) who recognized at last that the white paper contains some proposals that will run counter to the best economic interests of the Quebec people?

Mr. Speaker: Order. I do not think the question as asked is in order. The hon. member is asking whether the minister has received a letter from the leader of a provincial party. It seems to me that the question as put is not in order. The hon. member could perhaps seek to obtain this piece of information by rephrasing his question.

[*English*]

HIGHWAYS

RECOMMENDATION THAT STANDING COMMITTEE ACT AS NATIONAL PROTECTIVE BODY ON SAFETY

Mr. Barry Mather (Surrey): Mr. Speaker, I had a question for the Minister of Transport but in his absence perhaps his Parliamentary Secretary could answer it. Having in mind the recommendation of the Engineering Institute of Canada this week that a standing committee of the House of Commons become, in effect, a national protective body on all matters of highway safety, would the minister consider encouraging such a step?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): I will take the question as notice, Mr. Speaker.

AGRICULTURE

DAIRYING—AMOUNT OF SUBSIDY ON MANUFACTURING MILK

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Parliamentary Secretary, in the absence of the Minister of Agriculture, seeking further clarification of the dairy policy for the coming year as announced on Monday by the minister. The minister announced that the subsidy on manufactured milk will be maintained at the same level as this year, namely $1.25 per hundredweight. Does this mean that $125 million will be available if needed, which is the same amount as last year, rather than $10 million less, as was announced some time ago?

[*Translation*]

Mr. Florian Côté (Parliamentary Secretary to Minister of Agriculture): It is very difficult to know, Mr. Speaker, what the requirements of the Canadian Dairy Commission will be as the farmers associations are negotiating an agreement between themselves at the present time with a view to bringing all producers of industrial as well as fluid milk to contribute to the setting of marketing rates or marketing prices. Once these plans have been submitted to the government, we will be in a better position to know what marketing will cost.

Mr. Roch La Salle (Joliette): I wish to ask a supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member for Joliette has the floor.

Inquiries of the Ministry

Mr. La Salle: Mr. Speaker, I should like to ask the Parliamentary Secretary to the Minister of Agriculture if he can tell the House quite clearly, in the interest of the dairy producers, whether or not the $10 million subsidy will still be granted. I think it is important that this question be answered in the House, Mr. Speaker.

Mr. Côté (Richelieu): Mr. Speaker, I can only give the same answer. The announcement made by the Minister of Agriculture was based on one of the recommendations made by the Standing Committee on Agriculture. The hon. member for Joliette and my colleague who asked a question a moment ago, moved in the Committee on Agriculture that the price be maintained at $1.25.

[*English*]

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

POST OFFICE

GOLDENBERG REPORT ON MONTREAL DISPUTE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Acting Postmaster General. Can the hon. gentleman indicate whether the Goldenberg report on the Montreal postal dispute has been received and, if so, what is its nature? Second, what action will be taken to continue postal service in Montreal beyond the end of the month?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this report will be made to me as Prime Minister. I have spoken to Dr. Goldenberg. I understand his report is ready and that it will be delivered to me later today.

NATIONAL DEFENCE

ESTABLISHMENT OF ARCTIC COMMAND POST

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a question for the Minister of National Defence. In view of reports that the minister will personally tour the Arctic during the recess to check locations for a national defence command post there, will he say whether the preliminary studies have been completed in this matter and only his final approval remains?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, first of all I should like to correct the hon. member: it is not during the recess but after the recess, from

April 7 to 11. We have received some preliminary studies on all the locations we are going to visit. As stated by my hon. friend, the purpose is to find a location for a northern command post. The studies are continuing and will be completed, we hope, when we come back. After that I shall be in a position to announce the location.

SCIENCE SERVICES

REQUEST FOR STATEMENT ON POLICY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is for the President of the Treasury Board. I have asked this question several times. I wonder whether during the Easter recess he could prepare a statement outlining our priorities and laying down a science policy for Canada.

Hon. C. M. Drury (President of the Treasury Board): I am sorry, Mr. Speaker, but I did not quite understand the end of the question.

Mr. Comeau: I am asking whether the President of the Treasury Board would kindly make a statement after Easter with regard to a science policy for Canada.

Mr. Drury: Mr. Speaker, I think an analysis of the scientific effort of Canada is now being made and a report thereon is likely to emerge soon in the Senate. I think it would be a little foolhardy to make a statement in anticipation of this being done.

BUSINESS OF THE HOUSE

INTRODUCTION OF AMENDMENTS TO FISHERIES ACT—BUSINESS FOR APRIL 6

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Government House Leader. Could he inform the House as to when he plans to introduce a new Fisheries Act?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I am hopeful that the balance of the legislation we hope to deal with will be available as early as possible in the remaining part of the session.

While I am on my feet, perhaps I should indicate for the benefit of the House that upon our return on April 6 it is the government's intention to take as the first order of business Government Order No. 5, Bill C-3, an act to amend the Criminal Code.

ROYAL CANADIAN MOUNTED POLICE

ALLEGED HARASSMENT OF FAMILY OF W. A. WILSON

Mr. Stanley Knowles (Winnipeg North Centre): I have a question for the Solicitor General, Mr. Speaker. Like other members I am anxious to help him get started on his second 30 years. In view of the report in yesterday's Montreal *Star* by W. A. Wilson of certain harassment of his family by the Royal Canadian Mounted Police, will the Solicitor General have an investigation made not only into this case but into the extent to which the RCMP is carrying on harassment of this kind?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I am quite familiar with the subject matter of the story in the Montreal *Star*. I must say that the part which related to me personally and to the allegations about the telephone call from me is totally wrong in substance and in fact. As to the other part of the article, I did check into that matter rather thoroughly myself because I was concerned in case there had been harassment by the police. I found that there was no harassment by the police but there was some unfortunate and improper conversation by the police in that case. However, they were properly there, for a proper purpose.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will the minister deal with the other part of my question and inquire to find out whether this kind of harassment has taken place in other cases?

Mr. McIlraith: Mr. Speaker, I thought I made it clear that I found there was no harassment in this case. That being so, I do not know how I can find out if there is similar harassment in other cases. If the hon. gentleman has in mind any other case that he would care to mention, I will certainly have it looked into.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Pierre De Bané (Matane): Mr. Speaker, I want to ask a supplementary question to the Solicitor General of Canada.

In view of the incident reported earlier, does he intend to ask the members of the Royal Canadian Mounted Police not to question young children about their parents' behaviour?

[*English*]

Mr. McIlraith: Yes, Mr. Speaker. It is not in the form of an instruction, although that point was discussed rather thoroughly as a result of the Wilson case.

POST OFFICE

INCREASE IN SECOND-CLASS MAIL RATES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I shall not recite the preamble to my question: I hope it will still be intelligible. I ask the Prime Minister or the Minister of Justice whether the second-class mailing rate increases, due to start April 1, will be halted.

Mr. Stanfield: These government members would not know the answer.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this matter comes under the jurisdiction of the Postmaster General and I would have to take the question up with him.

Mr. McCleave: Mr. Speaker, since the matter involves several government departments, may I direct my question to the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know the answer either. I am not sure what the intention of the question is, and will therefore have to answer in the same way as did the Minister of Finance.

Mr. McCleave: Mr. Speaker, it seems that I should recite the preamble, which is as follows: Since today is the last clear chance in Parliament to stop the statutory increase in second-class mailing rates which is to become effective on April 1, may I ask—etc.

Mr. Trudeau: I thank the hon. member for the preamble. I will try to give him the postcript later.

GOVERNMENT ORDERS

FEDERAL COURT BILL

MEASURE RESPECTING CONSTITUTION, JURISDICTION, ADMINISTRATION, ETC.

Hon. John N. Turner (Minister of Justice and Attorney General) moved that Bill C-192, respecting the Federal Court of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I think those of us who attended in the House today will agree this is one of Parliament's good days because the Prime Minister and the leaders of the parties showered tributes on two very distinguished hon. members who have enjoyed the confidence of the people they have represented for almost a third of a century. Both hon. gentlemen deserved the great, unanimous tribute of the House of Commons. They have also enjoyed the good opinions of their fellow citizens for many years.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): The Solicitor General (Mr. McIlraith), my senior colleague representing Ottawa Centre, is present in the House and I therefore enjoy this happy opportunity to tell him, on behalf of his fellow Members of Parliament representing this metropolitan area, that we admire him for his good work, good judgment, capacity for friendship and loyalty to principle, and we salute him as the senior elected representative, in terms of years of service, of the people of Ottawa.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): There is not much that I can add to what has been said about the right hon. gentleman for Prince Albert (Mr. Diefenbaker). May I say that he is undoubtedly one of the political and parliamentary giants of his age in Canada. I will leave it at that and say we sincerely admire his great abilities.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Bill C-192 respecting the Federal Court of Canada, the bill for which I bear responsibility, received first reading on March 2. It is designed to effect very substantial changes in the administration of justice in this country at the federal level. In so far as court reorganization is concerned, the bill represents the first significant reorganization of the Federal Trial Court since it was first established in 1875.

For the past 95 years litigants before the Court of Exchequer or the Exchequer Court of Canada have enjoyed but one appeal, namely, an appeal to the Supreme Court of Canada. I might mention here that no hidden meaning or significance ought to be injected into our abandoning the historical name "Exchequer Court". In truth, the court is no longer the exchequer court; that is, it is no

longer a court of the Crown's exchequer because its jurisdiction ranges far beyond fiscal matters. It is not a Crown-oriented court. It is not a court destined or organized to protect the purse at the expense of the citizen. Although the name of the court may have great historical significance and enjoy a great deal of emotional attachment on the part of certain members of the legal profession, the purpose of the court under its present name is not readily apparent to the people of Canada.

The Supreme Court of Canada has been required to act as both a first appellate tribunal and a final appellate tribunal since it became the court of last resort in this country in 1949 so far as appeals from the Exchequer Court of Canada are concerned. This lack of an intermediate appellate court between the Exchequer Court as a court of original jurisdiction and the Supreme Court of Canada has given rise to a number of problems. I should like to mention one or two. First, it has meant that rulings of the Exchequer Court in relation to important matters of practice and procedure have been reviewed only infrequently on appeal, and this in turn has resulted in a lack of satisfactory jurisprudence. Second, it has meant that in recent times a very high percentage of the time of the Supreme Court of Canada has been taken up with appeals from the Exchequer Court. These appeals, in turn, have taken more time than they otherwise would if there had been an intermediate court of appeal to sift the record or to prepare the record on which an appeal is based.

Third, litigants who do not wish to accept a trial judgment as determining their rights and obligations have been forced to appeal immediately to the highest court in the land without the opportunity of going through an intermediate court of appeal. Under this new law as proposed, these litigants will be able to obtain not only a trial on their doorstep, because this court will be a circuit court, but they will be able to obtain as well an appeal at their doorstep, because the court of appeal will also be a circuit court. As a result, I anticipate that only more important matters will proceed to the Supreme Court of Canada, as is now the case with litigation before the superior courts of the provinces.

I have said on several occasions that I hope the Supreme Court of Canada can become a more creative court. In saying this I hope I am not putting myself in contempt. I also hope that it will deal primarily with questions of law, with matters of constitution and matters of public administrative law. The bill dealing with the Supreme Court of Canada that has been read the second time and is currently before the Standing Committee on Justice and Legal Affairs will, after it has been passed, be instrumental in filtering out a good many of the more factual appeals, that is to say, appeals depending merely on an interpretation of fact. The bill now before the House will also ensure that there is a further filtering process.

• (3:40 p.m.)

The Supreme Court of Canada can then be left as a final appellate court dealing with matters of law, matters affecting the constitution of this country, matters affecting public administration and the interpretation of the statutes under which administrative tribunals operate.

I wish at this juncture to underline the fact that the new federal court of appeal will be an itinerant or circuit court of appeal. Like the trial division, it will sit throughout Canada with a view to meeting the convenience of the parties. Indeed, the bill expressly provides in clause 16(3) that this shall be done. In other words, the court will continue the decentralizing process that was begun under the present President of the court. It will bring justice to the people, decentralize the operation of the present court, make the court more accessible, quicker and less expensive.

In addition to the fundamental change in court structure that I have mentioned, the bill proposes what I consider to be an important administrative law change in relation to the superintendence of federal boards, commissions and tribunals. For many years federal boards, commissions and tribunals have been subject to the diverse jurisdictions and practices of the various superior provincial courts in this country. For this reason federal boards, commissions and tribunals can be supervised to a much greater extent than can their provincial counterparts since provincial boards, commissions and tribunals of similar nature can be supervised only by their own provincial courts.

This multiple supervision, with a lack of consistent jurisprudence and application, can work serious hardship not only on the boards and commissions but on those who appear before them. Indeed, hon. members can readily see the possibility of harassment and the possibility of the misuse of this multiple su-

perintending jurisdiction. It is for this reason, plus one other that I shall mention shortly, that the conclusion was reached that this superintending jurisdiction should be vested in a single court that enjoyed the same nation wide jurisdiction as the federal boards, commissions and tribunals themselves. The bill is therefore designed to create a single and uniform basis of superintending jurisdiction in relation to federal boards and commissions and to place them on the same footing in this regard as provincial boards and commissions.

I said there was another reason for this change in the administrative law applicable to federal boards, commissions and tribunals. It appears that the superintending jurisdiction now exercised by provincial superior courts over these federal tribunals arises out of what may be fairly described as pre-Confederation legislation that has not yet been repealed or modified by the Parliament of Canada. That being the case, it seems readily apparent that no significant improvements can be made in the existing superintending jurisdiction of the provincial courts over federal boards, commissions and tribunals by the provincial legislatures and that unless changes are made by Parliament, resort will have to be had to the ancient remedies of prohibition, certiorari, quo warranto, mandamus and the like. What I have said is based on the unanimous judgement delivered by Mr. Justice Fauteux, as he then was, in the Supreme Court of Canada—he is now the Chief Justice of this country—in the case of *Three Rivers Boatmen Ltd. v. Canada Labour Relations Board et al,* on May 13, 1969.

There is a growing feeling among those who practice law and those who observe the judgments of the courts that these ancient common law remedies are no longer adequate for present-day purposes. We as legislators must surely be certain that when we set up a statutory body to administer the fine legal principles in accordance with defined procedures, or in accordance with the rule of law and natural justice as interpreted by the courts, the jurisdiction we have created and conferred will be exercised properly and for the proper benefit of those for whom it was established. There is only one mechanism that can afford us that satisfaction, and that mechanism is the duly constituted and independent courts of this country.

I believe that our courts must be properly empowered to make certain that the jurisdiction which Parliament has created and given to boards and tribunals is exercised in the way that Parliament intended the jurisdiction to be exercised. For this reason, the bill provides that the new court of appeal will have jurisdiction to review the decisions and orders of the federal boards, commissions and tribunals stripped of the archaic legalisms that have traditionally applied to the old remedies.

I think I must make a distinction here between policy and administration on the one hand and the quasi judicial and judicial aspects on the other. Parliament sets up these statutory tribunals such as the Canadian Transport Commission, the Canadian Radio-Television Commission, the National Energy Board and other boards. We deliberately delegate to all those boards and commissions a certain range of policy decisions that have to be made falling within a general area of competence. We do this because we want a certain independence in those decisions, because we want to withdraw the decision-making power to a certain degree from the political arena, and because ministers and departments do not have the necessary opportunity and time in certain cases to deal with and address their minds to those problems.

In so far as policy or the administrative function is delegated, there is no intent that the courts should supplant the policy determined by tribunals and commissions. Parliament delegated the administrative policy to those boards; the courts should not interfere. The courts should not supplant their policy for the policy that Parliament determined should be decided by those boards. There is nothing in this bill that does that.

Where an administrative tribunal—I am talking now within the federal sphere—exercises a judicial function, or that gray area between the judicial function and the administrative function which is known as quasi judicial, where there is a dispute or contest between parties by way of an application for a licence or the determination of a rate structure, or where two or more parties have to be heard and a decision rendered by the administrative tribunal, that judicial or quasi judicial function should be exercised according to certain principles, principles of natural justice. The members of the board should have no conflict of interest. Every party should have an opportunity for a hearing. Each party should have the opportunity to hear the other party's case, cross-examine, obtain production of documents and have before him the evidence upon which the board or tribunal makes its decision.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister a question in order to clarify a point? Would a party have the right to appeal a decision of the board which had refused to grant a hearing, if the legislation itself gave the board the discretionary power as to whether or not a hearing should be held?

Mr. Turner (Ottawa-Carleton): That is a good question. It will depend on that individual statute. The remedies in this bill are wide enough to go beyond that type of privity clause. This bill sets out the reviewing power quite clearly. Where the principles of natural justice are not applied, where hearings are not granted, where each party does not have an opportunity to make his case, where the board has exceeded its jurisdiction or gone beyond the scope or ambit of the statute which gave birth to the tribunal or the administrative scope with which it was charged, where the board refused to exercise its jurisdiction, where the board has misinterpreted the law, whether the error in law appears or not on the record of that decision, the decision of the board can be set aside. It will not be open to the board to avoid declaring its reasons. The boards will have to declare their reasons. If they do not, that will not forestall the court from looking behind the reasons to ascertain why the decision has been made.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Is the question only on a matter of law, or is it on a matter of fact?

Mr. Turner (Ottawa-Carleton): The court will not have the opportunity of reviewing the facts unless the facts were determined in accordance with an error in law. I think the hon. member for Greenwood (Mr. Brewin) understands what I mean. If the selection of evidence was based on an error in law, then, of course, the error in law would open the case to review.

• (3:50 p.m.)

Mr. McCleave: Clause 28 speaks of "perverse or capricious manner".

Mr. Turner (Ottawa-Carleton): Indeed, that is in there as well. One of the advantages of this review process will be the mere fact that the process exists. Those who administer and preside over federal commissions and boards in this country will know that their findings are subject to a review of this kind. I should like to recall what Louis Brandeis, one of the great associate judges of the United States Supreme Court, had to say about regulatory agencies. He said that over a period of years an agency begins to reflect the interest of the industry it is supposed to be regulating, and particularly of the establishment in that industry. Thus, the agency charged with regulation of broadcasting tends eventually to reflect the interests of the networks as against those of independent operators. The old Board of Transport Commissioners had the reputation, certainly among the truckers who I represented from time to time, of being a railway board, and so on.

For the independent businessman, for the man trying to succeed in an application which might not be favoured by the establishment, this is a step toward ensuring that he has a fair hearing, that the decision of the commission will be based on a proper interpretation of the law and that the policy embodied in the governing statute, whatever it may be, is fairly interpreted legally. The opportunity now provided for recourse will give such an applicant a better chance when he appears before an agency or tribunal.

Again I underline that the bill will not permit the courts to do the work of these federal boards and commissions. The courts will not substitute their judgment on policy for the judgment of the board. But this will permit the courts to make certain that boards and commissions perform their functions in accordance with the law and as Parliament intended, within their jurisdiction and following the law as laid down.

[*Translation*]

The bill contains several other elements which need mentioning; for instance, the Petition of Right Act is repealed. In the future, proceedings against the Crown will be instituted by simple declaration. In addition, the same prescription period will apply to the Crown as to the subjects who will thus be placed on an equal footing before the Court.

The bill clarifies and codifies the rules of law which will apply in the future to the production of documents in the course of legal action. But, where formerly their production might have been refused in the public interest, the rules of law provided for in the bill will allow the courts to decide on the merits of public interest by non-production, as opposed to public interest by proper administration of justice, subject to certain exceptions, such as national security, instead of having the government or a minister decide whether a document may or may not be produced.

[*English*]

The bill will also operate to increase the jurisdiction which has traditionally been exercised by the Exchequer Court of Canada. The court will, of course, continue to exercise its present jurisdiction in relation to industrial property, trademarks, patents and copyrights. It will administer the law of expropriation if Parliament in its good judgment passes the expropriation bill which is now before it. It will continue to be responsible for income tax appeals, estate tax appeals and appeals against decisions in citizenship cases. But it will also exercise new jurisdiction. For example, the new trial division of the federal court will exercise concurrent jurisdiction in relation to bills of exchange and promissory notes, in relation to aeronautics and in relation to works and undertakings extending beyond the limits of a province. This means that a member of the public will have resort to a national court exercising a national jurisdiction when enforcing a claim involving matters which frequently involve national elements.

In this way it will be possible for litigants who may often live in widely different parts of the country to find a common and convenient forum in which to enforce their legal rights. Consider what might happen after an unfortunate tragedy in connection with an aircraft. The passengers may reside in various provinces. Instead of being obliged to institute cases in the province which may have particular jurisdiction, all the claimants will be able to decide on a common forum, thus eliminating duplication of effort, and obtain one judgment.

I should mention also that the bill will give the trial division of the federal court jurisdiction in relation to persons and claims beyond provincial boundaries. Canada, as an international personality, enjoys rights and jurisdiction beyond the territorial limits of the provinces, and there must be a court that has competence to administer the rule of law in that regard.

As a result of the offshore mineral cases decided by the Supreme Court some years ago, provincial boundaries are held to extend only to the low-water mark. I suppose that according to the terms of the judgment this decision would be limited to British Columbia, but there are those who feel the judgment could be more widely interpreted. In any event, in terms of pollution control, in terms of admiralty jurisdiction, in terms of conflict over royalties and oil rights, or litigation involving similar matters beyond the territorial jurisdiction of provincial courts, a way is now open to litigate in the new federal court.

The bill also has important ramifications from the standpoint of navigation and shipping. The ancient and unsatisfactory Admiralty Act is to be repealed and the jurisdiction formerly exercised by the Exchequer Court on its admiralty side will from now on be exercised by the trial division of the federal court. The admiralty jurisdiction has been clarified and extended in relation to such matters as ships' mortgages, through bills of lading and state-owned ships.

[*Translation*]

Several other provisions in Bill C-192 should be stressed, but I must limit myself to the main points. With regard to the very structure of the courts, I should perhaps mention that the right of appeal from the court of first instance to the federal court of appeal entails no restrictions.

However, an appeal from the Federal Court of Appeal to the Supreme Court of Canada can be brought by right, when the value of the matter in controversy exceeds $10,000, or with the authorization of the Supreme Court or the Federal Appeal Court.

It should also be pointed out that the new Federal Court of Canada will be presided by a Chief Justice and an Associate Chief Justice. The Chief Justice will be the president of the Court of Appeal and ex officio a member of the Trial Division, while the Associate Chief Justice will be the president of and a member of the Trial Division and ex officio a member of the Court of Appeal.

Transitional provisions stipulate that the persons who, at the coming into force of the new legislation, were holding the office of judges of the Exchequer Court, will continue in office as judges of the new Court so that their independence and security are preserved.

Furthermore, the bill provides that the Federal Court of Canada will consist at the most of twelve judges, including the Chief Justice and the Associate Chief Justice. Finally, four at least of these judges, that is at least one third of them, will be chosen among members of the Bar or the Queen's Bench of the Province of Quebec.

[*English*]

I should like to mention briefly the new provisions dealing with the publication of the

official reports of the decisions of the court. At the present time the law is wholly silent with regard to the publication of the official reports of the Exchequer Court of Canada, and I have concluded that steps should be taken to provide new procedures for the publication of these reports. To this end, the bill will permit a person holding the office of Attorney General of Canada to appoint an editor and a committee of not more than five persons to advise the editor on the publication of the official reports of the court. The bill expressly provides that each decision reported in the official reports shall be published in both official languages.

• (4:00 p.m.)

In conclusion, Mr. Speaker, may I refer to one other provision of the bill which provides that judges appointed after the coming into force of the act will cease to hold office upon attaining the age of 70 years. Consequential changes are to be made in the Judges Act, including those provisions that provide for judicial annuities or pensions.

Although it is recognized, particularly in the atmosphere of today's House of Commons, that views differ in relation to the proper compulsory retirement age of judges, and while it is recognized that exceptional men perform important and useful judicial services after the age of 70 years, it is, I believe, generally felt that we should not in this matter legislate for the exceptional, of whom there are no doubt many, but that we should seek to find the rule that will in its application substantially favour and improve the administration of justice in this country.

This change in the law can be made without any constitutional amendment since we are not dealing here with judges who were appointed pursuant to section 96 of the British North America Act. Hon. members will doubtless remember that in 1960 an amendment was made to the British North America Act to provide for the retirement of provincial superior court judges at age 75. Before that amendment the only retirement was the grave. Although a few questioned the wisdom of that change in the constitution, and although some may question the change in judicial retirement now proposed, I am of the view that this change represents an important step in the right direction.

If this House moves the bill forward, I am sure that the Standing Committee on Justice and Legal Affairs will want to study its provisions very carefully. It is a complicated piece of legislation that involves fundamental changes in structure, fundamental extensions in jurisdiction, and makes what I believe is a very important advance in the public administrative law of this country.

[Mr. Turner (Ottawa Carleton).]

I have had the benefit of consulting a number of leading practitioners and academics in law schools who are familiar with the practise of law before our administrative tribunals and the general principles that I hope to introduce in this bill. In addition, I have through the courtesy of the Canadian Bar Association, who allowed me to use their Addressograph facilities, sent out a mimeographed letter to all 13,000 members of the Canadian Bar Association asking them for their comments.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Not advice?

Mr. Turner (Ottawa-Carleton): For their comments.

Mr. Douglas (Nanaimo-Cowichan-The Islands): You would be charged if you asked for their advice.

Mr. Turner (Ottawa-Carleton): I am using the absolute privilege of saying that there is no charge attached to any of my words. As the hon. member for Greenwood knows, I did a similar exercise in regard to the expropriation bill. Some 1,200 lawyers asked for a copy of the bill; 400 replied, some in quite significant detail on technical aspects of the bill that perhaps we had not anticipated. There were significant improvements made in the expropriation bill as a result of lawyers across the country writing to me or to some of the members of the standing committee. I hope the same benefit of the advice of the profession can be given in a technical way to this bill.

Again, I believe that this is a further step toward balancing the rights between the citizen and the state, providing some sort of recourse against bigness, remoteness, alienation, distance from the decision-making power. I believe it will give the average citizen the power to enforce his rights against the government and against the structures that government sets up.

This is not the final step by any means. I hope that when this House has the opportunity to consider the report of the hon. member for Windsor-Walkerville (Mr. MacGuigan) on statutory instruments, Parliament will have a permanent basis for reviewing regulations made pursuant to statutes.

This bill adds a further dimension by allowing the courts of the country to ensure that administrative tribunals and federal boards are exercising their jurisdiction within that jurisdiction and in accordance with the law as set forth by Parliament, and without interfering with, interjecting or substituting policy or administrative discretion. I think that we in Parliament may have to look into an administrative procedures bill some day that will set minimum standards of procedure for these federal tribunals to ensure that federal boards and commissions operate procedurally in accordance with the principles of fair play and what the courts have called the principles of natural justice.

In any event, this measure does go some considerable way, I hope, toward improving an area of the law that has always been vague under the common law—public administrative law, the relationship between the courts and federal tribunals, and between the Crown and the citizen. I look forward to hearing what other members of the House will have to say about the matter.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I think this is a rather interesting day in the House of Commons. Perhaps it is of more significance to those of us who are lawyers because we are dealing with this very important measure, but it is also significant because two lawyer members of the House have received a tribute from everybody here. I refer to the right hon. member for Prince Albert (Mr. Diefenbaker) and to the Solicitor General (Mr. McIlraith).

Ordinarily the hon. member for Calgary North (Mr. Woolliams) would be replying to the Minister of Juctice (Mr. Turner). This is because the hon. member for Calgary North scrutinizes the Minister of Justice whereas I scrutinize the Solicitor General. However, the hon. member for Calgary North cannot be here today, and I think this is the kind of day on which it is safe to let the Solicitor General disappear from one's view for a while. I hope that after 30 years in the House he has earned at least some small celebration. As a matter of fact, I am going to be irreverent enough to hope that either the Solicitor General or the right hon. member for Prince Albert has bought the other a beer—just one beer; I do not want to be extravagant—and perhaps they are sharing it from two straws.

Mr. Knowles (Winnipeg North Centre): You don't know them very well.

Mr. McCleave: In any event, I join in the appreciations that have been expressed of their total of 60 years distinguished service.

Mr. Bigg: And sobriety.

Mr. McCleave: And sobriety. I think I know them well enough for that. Certainly they will be perfectly safe company for the hon. member for Winnipeg North Centre (Mr. Knowles) during an evening.

I think the minister is right in changing the name of the Exchequer Court since it has embraced wider purposes than those for which it was originally established. I have put down the irreverent note that we should call this bill the son of the Exchequer Court Act, but that is not really so; rather it is the creation of something that has the flexibility of provincial supreme courts, their ability to move about the country and exercise jurisdiction in certain fields. The aeronautics example given by the minister is probably as good as any. In this regard there will be no controversy. If there is controversy at all when the bill is examined in the Standing Committee on Justice and Legal Affairs, it will be as to certain of its details. In making a few remarks this afternoon I should like to mention one or two matters that bother me and my associates, so that the minister and his officials will have the chance to look at these points over the recess. I should also like to make a pitch for one important amendment to the schedule, one which I think could be made and would be very helpful to a lot of people to whom the new Divorce Act does not apply.

The minister has made much of the provisions of clause 28 concerning appeals from federal boards and commissions to the new federal court of Canada. I think this is an important step. However, I think its application will be a lot broader than the minister suggested. From reading the clause I would have thought some pretty good appeals could be launched on findings of fact, if only to determine whether those findings of fact were erroneous or not, in addition to whether they were perverse or capricious. All in all, I think the provisions relating to appeals from administrative boards, commissions, tribunals, and so on, are very generous and that anybody who feels aggrieved by decisions handed down by such tribunals will really be able to have his day in a federal court.

Federal Court Bill

• (4:10 p.m.)

One thing on which I should like to question the minister—which of course will be a matter taken up later in committee—is whether there was any consultation with the provinces in respect of this change from the limited amount of appeal or scrutiny that exists by provincial supreme courts over decisions of federal boards, and so on. I believe we could get into a field, where provincial supreme courts would be scrutinizing the actions of provincial boards and tribunals and where a federal court would be doing likewise. One would hope common practice could develop. Also, I would hope the provincial legislatures might show the lead. The minister has suggested that a similar type of appeal should exist so that there would tend to be uniformity. Because administrative law is the fastest growing part of the law, I think it is important to have as much uniformity as possible.

The minister mentioned the work of the Statutory Instruments Committee headed by the hon. member for Windsor-Walkerville (Mr. MacGuigan) and recognized, I believe, quite fairly that we still have not yet reached the stage in this Parliament where we have scrutiny of regulations, Orders in Council, rules and examinations which direct changes of patterns of behaviour of people or corporations. We still have nothing like that in Parliament.

The report tabled by the hon. member on the very last day of the last session sets forth pretty useful remedies, I think. I hope we will get around to it sooner rather than later. I say this particularly because I believe scrutiny as a process is probably a pretty good thing. Perhaps this would provide for correction early in the game so that a person who may feel himself aggrieved by the actions of a federal board or commission would not have to shoulder the rather costly burden of taking his grievance to a federal court in order to seek a remedy. I think the minister agrees with my argument in that regard.

I shall move on very quickly because I understand we will probably hear a knock on the door in 45 minutes' time and I know other members wish to speak. I shall shorten my remarks considerably. If I may, Mr. Speaker, I should like to make this point for the minister through you. I think the provisions set forth in clause 31, in respect of a $10,000 floor on the amount involved before an appeal could be considered, will be seriously questioned in the committee. Also, I believe the provision in the same clause in respect of the appeal being to the Supreme Court of Canada by leave of the federal court will be questioned in the committee. I think there will be considerable questions on these two points. We will also have questions concerning clause 41—

[Mr. McCleave.]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I wonder whether I might ask the hon. member if he is aware that the $10,000 figure is to be in harmony with the amount already involved in an appeal from a provincial superior court. Is he also aware that leave can be granted by the Supreme Court of Canada itself at any time?

Mr. McCleave: Yes, I think I can say I am aware of both those points, but I do have objections for the reasons I state. I may be a lone voice crying in the wilderness on both points, but in any event I thank the minister for his interjection. Perhaps in my hurry I am omitting the preamble and other important statements, as I did today in respect of a question relating to first-class mail service.

I think the provision that the minister may declare that certain documents should not go before a federal court represents a power which could be abused. I think that from a practical viewpoint we will have to examine that provision pretty carefully in the committee. One thing that delighted me is perhaps a small point. I refer to the provision that a person who has received an adverse decision of the court cannot be taken into custody under process of execution for debt. In some provinces it is still possible to issue a capias and put someone in jail. I think this is a good, civilized step. I do not suppose anyone has gone to jail for evasion of a federal statute. Perhaps they have, so I had better be careful.

In the schedules there is a reference to a change in the Divorce Act which rather interested me. I have a point in this regard. I hope the minister will consider it before the bill goes to the committee. This change would permit the federal court to hear both petitions for divorce if the two parties should file their petitions on the same day. This is a neat way to deal with such a problem. I have no quarrel with that. However, the point I wish to make is that there still are thousands, perhaps tens of thousands of Canadians—certainly all those Canadians who are temporarily out of Canada—who do not now have a remedy under the Divorce Act of Canada because they simply do not qualify under the residence requirements of that act. It seems to me that obviously they would have the

remedy of coming and humbly knocking on the doors of the other place and going through the procedure there which we have had for many years. I am quite convinced they could do that, because this is the court of last resort when there is no remedy in the other courts.

In cases where jurisdiction is in doubt, or in cases where there is a difficulty in respect of the residence requirement of the Divorce Act, the federal court, by a change in the schedule, could handle these cases and thereby save people considerable expense. A point which particularly appeals to me is, as the minister pointed out, that the federal court will go to the people and not be anchored here in Ottawa where it would be remote from the lives of Canadians. I understand it will function in all the provinces and in the territories. The appeal court, likewise, will be in these places so that the people may realize the majesty, if I may use that phrase, of the federal court.

These are some thoughts I have. By and large I hope I have left the impression—I certainly intended to do so—that I think this measure deserves the generous support of members of the House. It is a very important step forward to create a federal court. I would hope we will all unite to give this very important undertaking our unanimous blessing.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have no intention today to disturb the harmonious and almost placid atmosphere that prevails in the House. I think that this is important but highly technical legislation. The appropriate time for serious discussion of this bill undoubtedly will be when it is before the committee. So far as this party is concerned, I undertake that when the matter reaches committee our representatives will do their best to give it a searching examination, because I think it must be accepted that in respect of a bill as sweeping as this in many respects—a bill which could have a very great impact on the property and lives of Canadians, and sometimes an unintended impact—we must exercise the utmost care.

• (4:20 p.m.)

As I read the act, there is in it a vast extension of jurisdiction to the federal court. The court is to be reorganized, and we welcome this feature of the legislation. If there has been a complaint about the Exchequer Court in the past by litigants and by counsel involved before it, it has often concerned the apparent remoteness of the Exchequer Court which usually, although not always, sat in Ottawa, and also about the high level of expense that was often involved in conducting litigation therein. But the proposed reorganization is to make the court more accessible and, I hope, when the rules are written, less expensive. If this is so, it will be a great gain.

The success of the court will depend, as the success of other courts depends, upon the quality of the people appointed to preside over the court. I want to take this opportunity—and sometimes I hate to do it as a partisan member of this House—to commend the minister for the high and non-political nature of the appointments he has made to the bench.

Some hon. Members: Hear, hear!

Mr. Brewin: I will not go into detail, but I hope he is setting a tradition which will last a long time. The appointment of people for purely political and regional considerations is not good enough. It has happened in the past, although I do not think it has happened while this Minister of Justice (Mr. Turner) has held office. As we are creating a new federal court I hope we will continue to have a rule which will ensure that the appointments are made on non-political grounds, on the grounds of capacity to do the job.

Mr. Knowles (Winnipeg North Centre): No more Liberals.

Mr. Brewin: I think we could have a few Liberals in the court: small "l" liberals especially are badly needed. The most interesting feature of this legislation, in my opinion, is the novel extension of the power of review and control over the findings of boards, commissions and tribunals of a federal nature. It seems to me a very sweeping jurisdiction. I do not want to go into the details of the bill at this point, but I think I detect some confusion—at least it seemed confusing to me—in the bill.

Clause 18 deals with the exclusive original jurisdiction of the trial division to issue injunctions and various other forms of proceeding against any federal board, commission or other tribunal. It seems to me that the language of clause 18 is extraordinarily broad. There seems to be no limit to the degree of control that the trial division is said to exercise under clause 18. Yet when we come to clause 28 which deals with the juris-

diction of the appellant tribunal, we find what to me is a confusing provision. The clause reads:

> Notwithstanding section 18 or the provisions of any other act, the Court of Appeal has jurisdiction to hear and determine an application to review and set aside a decision or order, other than a decision or order of an administrative nature—

Three alternatives are placed there: the failure to observe a principle of natural justice or a refusal to exercise jurisdiction, errors in law, and perverse or capricious findings of fact without due regard for material before the court. It seems that a much more limited power is conferred on the appellant tribunal under clause 28 than is conferred by clause 18 on the trial division.

I do not know whether the words "notwithstanding section 18 or the provisions of any other act" mean that clause 28 supersedes clause 18. This may be the intention, but I suggest it is not clear and that clause 18 standing by itself seems to give a very wide and extensive power of review. I think these two clauses should be harmonized.

Again, the confusion seems to me to be compounded by clause 28 (3) wherein the court of appeal has jurisdiction to hear and determine an application to review a decision, and the trial division has no jurisdiction to entertain any decision or order. I could understand it in cases where the court of appeal has exercised or assumed jurisdiction, but to say that it has jurisdiction although the trial division has none, when clause 18 appears to give a wide and sweeping jurisdiction, seems to me to be wrong. I think we have to give careful attention to both sides of the coin.

I agree with the principle that decisions of so-called inferior tribunals, tribunals with judicial and quasi-judicial powers, should be subject to review. I believe it important that that review be properly and clearly limited, because I think there are very serious dangers that judicial decisions can cause delay and vast expense.

I remember hearing of a case in the United States which had to do with labour relations, the right to be certified and to represent employees, which took four years to go through the various stages of decision in the courts. By the end of the four years the situation being reviewed had totally changed. The effect of allowing too many appeals and too wide a ground for appeal was to tie up the beneficial purposes of the legislation which, for very good reasons, conferred the powers on an expert tribunal. That is a side of the case that must be considered. I hope that when the committee studies this bill it will look at all the cases to see whether we may not have gone too far in this matter.

Just the other day in the Supreme Court of Canada there was a decision relating to labour relations with which I imagine the Minister of Justice is familiar, I would not criticize, if I could, their legal grounds for the decision, but I understand its practical effect is to throw Labour Relations Boards all over Canada into a state of utter confusion. I think that was the Metropolitan Life case. This is a danger that has to be observed when dealing with this matter.

I would like to mention one or two other details before I sit down. Clause 21 deals with an exclusive original jurisdiction vested in the trial division to hear and determine appeals under the Canadian Citizenship Act. These are appeals from Canadian citizenship courts. I call the attention of the minister—this may not be entirely in his jurisdiction because other departments are concerned with it—to the fact that in most practical matters of citizenship there is no appeal at present. Under section 10 of the Canadian Citizenship Act the minister is given the discretion at his own will to refuse a citizenship certificate without giving any reason or any hint as to why he has so acted. Many people who belong to cultural organizations which may have left wing tendencies, people among us who are politically minded, or even people who belong to cultural organizations are denied citizenship by a fiat of a political officer, namely the minister, presumably on security grounds.

• (4:30 p.m.)

These are people who have been in this country for many, many years. It is most unsatisfactory to have to go to them and say, "The minister cannot tell us or will not tell us why he is exercising this jurisdiction. We do not know whether justice is being done or not; we cannot tell you."

I believe that the recent Royal Commission on Security suggested that there be a review board. I believe there can be a review board on this very important matter of jurisdiction. I remember that even during the perils of war, when people were interned on security grounds, a procedure was evolved whereby not all the security details and the sources were disclosed to them, but particulars were given of the basic reasons for their intern-

ment, even though these were security reasons. A certain procedure by way of review was vested at that time, I think in the hands of county and district court judges. As I say, this was in wartime.

I do not believe there is any good reason why at this time people should be denied the right to citizenship in this country when very often the right is not of any great practical value but is of immense emotional importance to the people concerned. I do not think citizenship should be denied without any right of appeal. I point out that clause 21 does not deal adequately with that matter, and it is one which must be dealt with.

Mr. Speaker, like the hon. member who preceded me and spoke for the Progressive Conservative Party, I express my reservations, indeed more than reservations, in regard to clause 41(2) of the bill. This clause deals with the important question of secrecy and the disclosure of documents when it is alleged that disclosure is not in the public interest. I think that clause 41(1) satisfactorily and adequately sets out the law as I understand it to be at the present time. It gives the court the ultimate right to inspect documents and decide whether the public interest is more strongly on the side of disclosure or non-disclosure, and I suggest that is where the responsibility should be.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I wonder whether the hon. member would permit a question which might allow me to clarify a point made by him and the hon. member for Halifax-East Hants (Mr. McCleave). Is he aware that the section he has recited really reverses the present state of the law as determined by the House of Lords case of *Duncan v. Cammell, Laird* which is followed in Canada, namely, that a minister's certificate to the effect that it would not be in the public interest to publish a document will govern and take precedence over a judge's discretion? We reverse this and allow the judge to go behind any certificate, except as subclause 2 says where publication would be injurious to our national security, international relations, federal-provincial relations or would disclose a confidence of the Privy Council. But, in general, we are reversing the whole state of the law and making the production of documents at the discretion of a judge.

Mr. Brewin: I am afraid the minister's intervention illustrates the difficulty which always arises when two lawyers get into a legal discussion, because I have never believed, and do not believe that the decision in the *Duncan v. Cammell, Laird* case, which has been severely criticized judicially in many different courts, sets out the law of this country. If it did, I believe the minister would be perfectly right. But starting from a different premise to him, I believe that the proper law is as set out in subclause 1, and I do not think it makes any difference. I have said I commend subclause 1, but I do not commend subclause 2 which gives an absolute right to a minister of the Crown by affidavit to prevent the discovery of documents, not only on the vague and general grounds of it being injurious to international relations, national defence or security, or to federal-provincial relations—

Mr. Knowles (Winnipeg North Centre): That happens every day.

Mr. Brewin: I don't know what would be injurious to federal-provincial relations, but if the minister's *ipse dixit*, his say so, is to prevail on this question, I feel the opportunities for maintaining secrecy will be carried on. What is wrong with letting the courts, as provided in subclause 1, look at the thing themselves? Surely we can trust the judges that the minister will appoint to the new federal court. Surely we can trust that they will exercise sound discretion. But if this provision preserves an absolute right, it may very well be abused. It has been abused sufficiently in the past to make it justifiable for us to think that it probably will be abused in the future.

If I had time I could cite to the minister case after case of judicial decisions, both in England and in other jurisdictions, where they have spoken about the tendency of the official mind to put a cloak of secrecy around some of their own proceedings when it would be far better, in the public interest, that these things be disclosed. I suggest we can properly leave that question to the courts and that subclause 2 should be deleted from this bill.

There is one matter in which I have been particularly interested. It has to do with the Immigration Appeal Board. Now that the appeal does not lie with the Supreme Court of Canada—it lies with a different tribunal—I would have hoped that the same provision which exists in clause 31 with respect to appeals to the Supreme Court of Canada might be introduced into the new section 23 which is in the schedule, and that that provision would give a right of appeal where the

question involved is not one of fact alone. I suggest that the formula used in clause 31 might very happily be introduced into section 23 dealing with appeals from the Immigration Appeal Board.

I am delighted that the net effect of this legislation seems to be to relieve the Supreme Court of Canada of a very heavy or case burden. It seems to me that in the past the Supreme Court of Canada has often been involved in dealing with matters that should not have been before it, sometimes relatively small matters. I know that in the Supreme Court of the United States, another great institution, at least 90 per cent of the cases are of a constitutional nature or have to do with the rights and liberties of individuals.

Mr. Turner (Ottawa-Carleton): Or interstate matters.

Mr. Brewin: I believe our Supreme Court of Canada should eventually be performing a similar function. I do not have any doubt that as this place remains busy and legislates, there will be plenty of opportunity for the Supreme Court of Canada to exercise its constitutional jurisdiction. I am glad this bill seems to move in that direction.

In short, Mr. Speaker, we support the general principle of this legislation. All I can do is repeat what I said at the opening of my remarks, that when this bill comes before the committee, the representatives of our party will do their best to submit it to a searching examination to make sure that the excellent intentions that are involved in it are in fact enacted in the wording of the law that Parliament will be asked to pass.

Mr. Steven Otto (York East): Mr. Speaker, you will have noticed that the speeches today on this bill have been relatively short. I think the reason is that so far those who have taken part in the debate have been lawyers, and you know, Mr. Speaker, the first admonition of a lawyer is never to talk for nothing—always be paid for it. I do not intend to break that very good rule or legal practice, and I shall be very brief.

• (4:40 p.m.)

Mr. Speaker, the hon. member for Greenwood (Mr. Brewin) and the hon. member for Halifax-East Hants (Mr. McCleave) mentioned the problem arising with regard to clause 41 and especially subclause 2. The argument went something like this, that there is no reason to disallow the court or the judges to delve into the secrecy or the reasons for the certificate on national security, and so on. As the hon. gentleman from Greenwood said, surely we can trust judges to delve into this question.

I put it to these hon. gentlemen and to the committee that will be considering this bill that having gone into the reasons for the secrecy, what shall the judges do then? Shall they put in their judgment the reasons why such a document is secret? Shall they disclose it, or sit in camera and not give any reasons? If they give no reasons, I put it to you, Mr. Speaker, that this is not the role of the judges because then there will be suspicion that somehow there was a political connection and the judges acted in concert with the minister.

I should like the hon. member for Greenwood to reconsider his stand on that matter and consider what would happen if, first, the judges had gone into the reasons why a document was secret and did not publish their reasons. What would the hon. gentleman have said then? And second, if they did not publish the reasons because—

Mr. Brewin: Would the hon. member permit a question?

Mr. Otto: Yes, Mr. Speaker.

Mr. Brewin: Would he not feel that a judicial mind would be a greater degree of security to a person concerned with the document, and that he would be more likely to accept this than a political judgment by a political officer?

Mr. Otto: I think I would. I think the hon. gentleman would accept the judge's opinion in blank; that yes or no, it is a secret document and should not be published or produced. But a suspicion may still hover in the minds of many other citizens that possibly the judge's decision was not correct, and the same thing could come up again. As it stands, the bill gives much better protection.

The point I want to bring to the minister concerns clauses 19 and 32. The details of the bill be gone into very thoroughly by the committee, but here we are proposing to continue giving constitutional jurisdiction to our Supreme Court. I daresay that is not a good idea for Canada, for the Confederation that we have. It may be a perfect solution to a constitution such as the American constitution and the republican system and it may be good for other nations. However, if we consider our experience in Canada, I wonder whether Supreme Court decisions rendered

in regard to constitutional jurisdiction have been beneficial to the unity of Canada or to our whole structure.

We now find that we cannot amend the British North America Act by a mere majority of the House and the Senate, as was originally anticipated, because over the years the Supreme Court has ruled certain things within and others without the jurisdiction of the federal and provincial governments. It also rules, or practically has ruled and now it is accepted, that we must have the consent of the provinces. These were court decisions that we must have the consent of the provinces in order to amend the constitution, otherwise we would have repatriated it a long time ago.

I think the Supreme Court has a great role to play if there is any dispute between a citizen and the state. The Drybones case was probably the first example of where the court exercised this jurisdiction. As most hon. gentlemen know, this was the case of an Indian who was prosecuted under the Indian Act for being drunk in a hotel. The final court decision was that according to the Bill of Rights, which is in our parliamentary library and is bedecked with red ribbons, the punishment was wrong. The decision was that unless there is federal legislation specifically excluding the Bill of Rights, it shall stand. The minister is nodding at me but he might remember that in the Criminal Code, with regard to the breathalyzer test there was no specific exclusion of the Bill of Rights. While it says in the Bill of Rights that a man shall not be forced to incriminate himself—

Mr. Turner (Ottawa-Carleton): By statement.

Mr. Otto: I have very grave doubts about the position of the Supreme Court on constitutional matters. I am much more likely to subscribe to the viewpoint expressed at times by the Prime Minister (Mr. Trudeau) that there is going to be a meaningful role for the Senate. I know some hon. members would like to do away with the Senate, but that will not happen and a meaningful role can be given to the Senate with respect to just that question, the jurisdiction as between provinces and the federal government. Things change, and with a division of power over a period of 20, 30 or 40 years the whole structure of Canada will change and somebody will have to decide whether one area is no longer to be under the jurisdiction of the federal government and should be under the jurisdiction of the provinces, or vice versa.

For example, today we have the Trent Canal and the Rideau Canal system still under the jurisdiction of the federal government because it was originally a defence measure. Surely that is no longer so and it could easily be transferred to the provinces. But who is going to decide whether such use has expired? I strongly support the view that if the Senate is made up of members on a provincial participation basis, there should be no reason why it should not have that very important role, to decide or keep under constant review the question of jurisdiction. I would much rather see that than have this role continuing with the court.

I understand, of course, that the minister cannot remove this function or jurisdiction from the Supreme Court at the present time because there is no other agency. But I should not like it to be too solidly established in the minds of the people of Canada, and possibly in the mind of the court, that this is the strongest position they can assume. I do not believe that in Canada it should be their main role.

With these remarks I should like to support the bill and join with others who complimented the minister. We know the amount of work he put into this measure and the arguments he has had in connection with it. I hope the committee gives it careful consideration and that it passes.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, with my eye on the clock I shall keep my remarks brief. First, I want to say that the bill brings forward several new concepts in legal systems in Canada and gives more strength to the federal system, raising the status of federal courts and statutes. I believe it points up the great expansion of federal law-making in recent years and the extension of rules and regulations by the federal Parliament. Now it is necessary to recognize that while provincial courts are administered by provincial laws, there is a need for extensive and broad federal courts to deal with federal laws. I think this bill also recognizes the need for more direct means of access to the courts for people with complaints against federal government decisions and actions and, in fact, the increase in the number of such complaints that arise.

• (4:50 p.m.)

I shall refer to two points which have not been referred to by other hon. members. The minister might comment on them. The first relates to the question of veterans' disability

pensions and appeals from Canadian Pension Commission decisions. The wording of the clause relating to jurisdiction with respect to appeals is very broad. It appears to give a right of appeal to the federal court of appeal from any federal court, board or commission. But the appendix to the bill does not mention the question of veterans' disability pensions or appeals from the Canadian Pension Commission. To that extent the bill contains an anomaly which ought to be cleared up, and I ask the minister to examine that aspect of the matter. I am also intrigued to see that marshals are to be *ex officio* officers of federal courts.

An hon. Member: You can almost smell the gunsmoke.

Mr. Aiken: The idea stems, I suppose, from our establishing in this way a federal presence; and we must distinguish and continue to distinguish in courts under federal jurisdiction, between the federal jurisdiction of marshals and the provincial jurisdictions of sheriffs. Will the minister advise us why it was necessary to include both marshals and sheriffs in the bill? Certainly, all this brings to mind the annals of the old American west.

We hope the provisions of this bill will not create the kinds of difficulties which seem to arise south of the border. There jurisdictional conflicts arise when people acting under the federal power step into areas that seem to lie within the jurisdiction of the local or city power. This causes me some concern. Although I wanted to make some other remarks, in the interest of seeing this bill pass I shall say no more.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I had in any event intended to be brief, and since there are only a few moments left for me to speak I am forced to be. I had intended to heap encomiums on the minister's head, and to describe the rungs in the ladder of law reform he is building. However, may I instead touch on several substantive points, including two raised by the hon. member for Greenwood (Mr. Brewin).

It is true that there is a fairly complex relationship between clauses 18 and 28. Clause 18 apparently retains all the old rights to the prerogative writs and leaves jurisdiction over them in the hands of the trial division, while clause 28 relates to certain new rights of appeal. That clause would appear to supersede clause 18, if an appellant were to take advantage especially of 28 (3).

[Mr. Aiken.]

It can be argued that clause 18 is not necessary at all, and that clause 28 could even have eliminated all recourse to the old prerogative writs in matters pertaining to review of decisions of administrative boards. I think it is fairly safe to predict that clause 18 will not be used very much in the light of advantages of the appeal procedure stemming from clause 28. In fact, it is hard to imagine circumstances which might lead to review under clause 18 and not under clause 28. Therefore, it seems safe to predict that clause 28 will supersede clause 18 from the point of view of practice.

The hon. member for Greenwood also raised the question of the breadth of the grounds for appeal granted by clause 28. Possibly he also had in mind the question of the grounds for review under clause 18. When I was studying administrative law in law school some 12 or 13 years ago, the whole course was devoted to the question of prerogative writs and how to make certain that a case which had been heard by a board came before some reviewing body. Anyone who has experienced that kind of frustration in study or in practice will appreciate the advantages of the tidy and effective procedure provided by clause 28.

It seems that the minister and the department have hit a nice balance. They have not taken away the rightful and necessary freedom of action which a board must have in order to fulfil the purposes for which it was set up; at the same time they have provided that in cases where there is a violation of natural justice, where a body has operated beyond its jurisdiction or where there is an error of law, there is a right of appeal as laid out in clause 28.

I should like to deal with these matters in more detail, but considering the hour I will sit down and await the further proceedings of the House.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Macdonald (Rosedale): Mr. Speaker, while I know this House abhors a vacuum of silence, since I have not suggested another item of business for the House to consider I wonder if we might not sit here in respectful silence until the Gentleman Usher of the Black Rod knocks.

Mr. McCleave: There you have it: the program of the Throne Speech is running dry already.

• (5:00 p.m.)

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency the Governor General that this honourable House attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

• (5:20 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Parole Act.

An act respecting the labelling, sale, importation and advertising of consumer textile articles.

An act to amend the Agricultural Products Co-operative Marketing Act.

An act to establish the Canadian Saltfish Corporation and regulate interprovincial and export trade in saltfish in order to improve the earnings of primary producers of cured cod fish.

An act to amend the Coastal Fisheries Protection Act.

An act to repeal the Deep Sea Fisheries Act.

An act to provide for the dissolution of the Dominion Coal Board and for the repeal of the Canadian Coal Equality Act, the Coal Production Assistance Act and the Dominion Coal Board Act.

An act respecting the use of national safety marks in relation to motor vehicles and to provide for safety standards for certain motor vehicles imported into or exported from Canada or sent or conveyed from one province to another.

An act to amend the Cape Breton Development Corporation Act.

An act to provide supplementary retirement benefits for certain persons in receipt of pensions payable out of the Consolidated Revenue Fund and to amend certain acts that provide for the payment of those pensions.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1970.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1971.

Mr. Speaker: Before adjourning, I should like to call the attention of the House to the fact that there will be the usual reception in room 16, where hon. members are invited, as well as members of the press and of course the staff of the House, to review the achievements of this part of the session and to plot the possible achievements of the second part of the session.

[*Translation*]

I am pleased, as I said a moment ago, to invite my honourable colleagues to come and fraternize at the Speaker's residence as soon as the House adjourns.

[*English*]

Pursuant to Special Order made earlier this day, this House stands adjourned until two o'clock p.m., Monday, April 6, 1970.

At 5.24 p.m. the House adjourned, without question put, pursuant to Special Order.

END OF VOLUME V